FBIS DAILY REPORT

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TRADE MINISTER RETURNS FROM SOVIET UNION, COMMENTS

PY260221 Buenos Aires TELAM in Spanish 1314 GMT 20 Jun 81

[Text] Buenos Aires, 20 Jun (TELAM)--Trade and Maritime Interests Minister Carlos Garcia Martinez today disclosed that the Soviet Union is the third most important buyer of Argentine grains in the world. The most important buyers are the EEC, followed by Latin America. He pointed out that sometimes we forget that the EEC continues to be our most important client.

Minister Garcia Martinez made these statements at Ezeiza Airport when he returned from his visit to the Soviet Union, where he held talks aimed at increasing trade exchange between the two countries.

In expanding his statements on the volume of grain sales and the most important grain buyers, he said that the Soviet Union is the largest grain buyer in the world. He then pointed out that Argentina has a sizeable exportable surplus and that it will undoubtedly become an important seller should this exportable surplus be maintained. We do not know how much we will sell since this depends on the prices of other grain exporting countries which, on the other hand, are very eager to sell their grains to the Soviet Union. The United States, Canada and the EEC itself are some of the grain exporters with whom we have to compete.

In this regard he recalled that Argentina has signed a contract with the Soviet Union for a supply of 4.5 million tons from now until 1985.

He added: We do not know what additional quantities of those 4.5 million tons we can sell the Soviet Union because those additional sales are subject to the conditions of the grain market in which the harvest of the Soviet Union itself plays an important role: If the Soviet Union's harvest is good its purchases abroad will decrease, but if it not too good they will increase.

There are also the harvests of other countries such as the United States and Canada, which are important grain exporters which compete with Argentina in this field.

In answering a question on what Argentina could purchase from the Soviet Union he stated: Capital assets such as machinery, turbines (through international bids) as well as railway equipment and means of transportation. He pointed out that this is what the Soviet Union, preferably, has to offer.

Minister Garcia Martinez returned accompanied by Agriculture Under Secretary Victor Hugo Santirso.

SOVIET AMBASSADOR ON FUTURE GRAIN PURCHASES

PY261345 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1500 GMT 24 Jun 81

[Text] Buenos Aires, 24 Jun (NA)--Soviet Ambassador Sergey Striganov today denied the possibility that his country could stop buying grain from Argentina in view of credit operations agreed upon with the United States and the next Soviet crop, which will surpass 200 million tons.

Striganov, who left today for Moscow on vacation, explained that Argentina holds a preferential position as grain supplier, since "this was the first country which our delegation headed by the Vice Minister," Aleksey Manzhulo, visited after the U.S. grain embargo brought about by the Soviet invasion to Afghanistan.

He said that "the vice minister talked openly about this matter" and that in view of those talks he denied the possibility of Argentina being displaced by the United States as a grain supplier.

Concerning this matter, the Soviet ambassador said: "I do not believe it. We have bought almost 10 million tons of grain here, thus setting the standard for our trade with Argentina."

As for the influence which Soviet crops could have on future grain purchases, Striganov said that this year such crops would "surpass 200 million tons" and that "at our season's end, that is, in September or October," his country would know the volume which it will have to buy to cover its internal consumption.

Striganov talked optimistically about prospective trade between the Soviet Union and Argentina, taking into account that "it has achieved considerable development."

"I expect that we can improve some aspects, particularly our exports to Argentina, which we would like to readjust," he added.

Striganov stressed that it would be "hard" to tell "the level which we would like to reach...to equal," if possible, and he pointed out that the trade between the two nations "should be readjusted a bit" in order to adjust the balance of trade, which has so far been clearly favorable to Argentina.

As for the possibility that the Soviet Union could provide the turbines for the Argentine-Paraguayan Yacyreta power plant, Striganov refused to answer the question and he said: "I can make no comments on that matter."

The Soviet ambassador anticipated that he would be back in Buenos Aires in about 1 and 1/2 months.

FOREIGN MINISTRY EXPRESSES SUPPORT FOR MEDIATION

PY252330 Buenos Aires TELAM in Spanish 2305 GMT 25 Jun 81

[Text] Buenos Aires, 25 Jun (TELAM)--The main concern of the Argentine Foreign Ministry is to uphold the image and the interests of civilian and military institutions of the Argentine nation and to support the mediation of Pope John Paul II since it is the proper path to overcome a problem of utmost importance for the nation and which because of its nature demands prudence and secrecy of all the parties involved.

This statement was issued today by a Foreign Ministry spokesman regarding the publication of a statement that was reportedly issued during an alleged talk with an official of the Argentine delegation to the mediation in Rome.

The spokesman added that the Argentine Foreign Ministry believes any other statement in this regard to be irrelevant particularly because it is absolutely necessary to avoid, from our part, any direct or indirect actions that may insult the holy father.

ARGENTINE ENVOY ON CHILEAN BILATERAL RELATIONS

PY261338 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2033 GMT 20 Jun 81

[Excerpt] Buenos Aires, 20 Jun (NA)--Argentine Ambassador to Chile Hugo Miatello today stated that the measures to ease tensions taken by the two countries have "evidently" opened "a better period for bilateral relations and for the negotiations" concerning the southern region border dispute."

The diplomat pointed out that those measures "will favor" the settlement of bilateral integration problems which "had been paralyzed or delayed by the tension," but he declined to state that relations with Chile were entering a "new era."

He acknowledged, however, that the atmosphere is now "a little bit different" since problems that "had generated tensions" have been overcome.

Miatello made these statements to reporters at Ezeiza Airport just before leaving for Santiago to resume his position at the Argentine diplomatic mission.

The ambassador refused to talk directly about the outcome of negotiations under the pope's mediation on the border dispute, "because," he said, "I am not participating in the negotiations held at the Vatican."

"I am in charge of bilateral relations between the two countries, and therefore it would be a mistake on my part to give an opinion about something that is being negotiated by other persons somewhere else," he added.

He admitted, however, that the measures taken by the two countries to ease the tensions, as had been requested by Pope John Paul II, have given rise to "expectations that the atmosphere of bilateral relations would be much more cordial."

He added that this atmosphere "has always been" cordial, but he considered that from now on it is expected to be "much more cordial, thus permitting the continuation of talks to reach a fair settlement of the dispute."

ECONOMY MINISTER ON SITUATION OF EXCHANGE MARKET

PY271737 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1139 GMT 27 Jun 81

[Text] Buenos Aires, 27 Jun (NA)--Economy Minister Lorenzo Sigaut stated that "the economic situation is going to be resolved, but it will take time," when he answered a reporter regarding statements made by the commander in chief of the army, Lt Gen Leopoldo Galtieri, who defined the situation as "conflictive."

Sigaut, who was approached by reporters at the doors of the Casa Rosada after the meeting he had last night with President Roberto Viola and four other ministers from the economic area, was asked about the skyrocketing of the dollar yesterday.

The minister asserted: "They are fighting each other (purchasers and sellers) in the exchange market and we are not interfering."

Sigaut did not wish to talk about the matters he discussed with Viola. The same position was adopted by Carlos Garcia Martinez, trade and maritime interests minister; Jorge Aguado, minister of agriculture and livestock; Eduardo Oxenford, minister of industry and mines; and Diego Urricarriet, minister of public works and services.

Urricarriet said that "it was a routine meeting, which we usually have." Moreover, this was the second time that Viola has had a joint meeting with the five of them since he assumed the Presidency. The first meeting took place precisely on 29 March, the day of Viola's assumption, in the presidential residence in Olivos.

GARCIA MEZA: MAY REMAIN IN POWER UNTIL DECEMBER

PY261820 Buenos Aires LATIN in Spanish 1730 GMT 26 Jun 81

[Text] La Paz, 26 Jun (LATIN-REUTER)--Luis Garcia Meza, president of the Bolivian military government today admitted the possibility that he could stay in power until December, even though a high-ranking military officer yesterday announced that presidential succession had been set for August.

Talking to journalists after paying a visit to facilities of the Bolivian police, Garcia Meza said that if the people asked him, he would have to remain president of the nation until December "because I have no choice."

He clarified, however, that the armed forces, whom he had asked to appoint a successor before 17 July to whom he would hand over power on 6 August, will have to be consulted on this issue.

Garcia Meza explained that he will tour the military units in order to find out what his comrades of the armed forces feel about this situation.

Meanwhile, local newspapers today published paid advertisements from various unions and other sectors asking Garcia Meza to withdraw his decision to step down on 6 August.

These advertisements were published just 1 day after Gen Lucio Anez, army chief of staff, stated that as far as he is concerned, the presidential succession had been decided from the very moment when the president said that he will step down in August.

Anez indicated that the calls made by various sectors for Garcia Meza to stay in power have not been evaluated but he made it clear that if an army commander states his position, "I believe that he will stand by it with the necessary firmness, authority and honor."

He added that the junta of commanders in chief will establish the steps to be followed for the presidential succession this weekend.

Military sources have reported that the establishment of these steps began yesterday afternoon when the commanders of the three armed forces together with their chiefs of staff and local unit commanders held a long meeting.

However, it seems that the possibility that he could stay in power until December, broached by Garcia Meza today, has given a new twist to the process of succession. This is the first time the president has admitted that he could stay in power beyond 6 August.

REPORTAGE ON COUP ATTEMPT AGAINST GARCIA MEZA

Coup Led by Triumvirate

PY271231 Paris AFP in Spanish 1208 GMT 17 Jun 81

[Text] La Paz, 27 June (AFP)--The military coup staged early this morning against President Luis Garcia Meza is apparently led by a triumvirate made up of Gen Humberto Cayoja, army commander in chief; Gen Lucio Anez Rivero, chief of staff of the army; and former President Alberto Natusch Busch, it was reported here today.

Proof that the situation has yet to become totally favorable for the coup is that the state-owned radio station has been broadcasting its newscast normally and included speeches which Garcia Meza made yesterday.

It has been reported, however, that the offices of the West Coast [private communications company] have been taken over to prevent messages from getting out of the country.

Garcia Meza Back in La Paz

PY271306 Paris AFP in Spanish 1259 GMT 27 Jun 81

[Text] La Paz, 27 Jun (AFP)--The Bolivian chief of state, Gen Luis Garcia Meza returned to La Paz early Saturday morning. The president of the nation had gone to Santa Cruz on Friday where he stayed until 2200 yesterday.

In Santa Cruz he held a mass rally during which the chief of state harshly criticized the military men who are making arrangements with the political groups.

President Provoked Coup

PY]71449 Paris AFP in Spanish 1432 GMT 27 Jun 81

[Text] La Paz, 27 Jun (AFP)--Analysts indicated today that President Luis Garcia Meza yesterday announced the extension of his term in office until the end of the year in order to hasten the coup d'etat which he knew was brewing against him.

Slightly over 24 hours ago, unofficial sources had circulated rumors that the army chief of staff, Gen Lucio Anez, would be exiled because he had said that Garcia Meza's stepdown had been totally arranged.

This rumor forced Anez to hasten the coup which Garcia Meza had little trouble quashing because he knew about it in advance, the observers said.

Rebel Generals Arrested

PY271520 Buenos Aires LATIN in Spanish 1444 GMT 27 Jun 81

[Excerpt] La Paz, 27 Jun (LATIN-REUTER)--Military sources said today that Gen Humberto Cayoja and Gen Lucio Anez, commander in chief of the army and his chief of staff, respectively, leaders of the rebel movement which sought to oust President Luis Garcia Meza, were arrested today.

When this news agency contacted by telephone General Anez at his office at Miraflores general headquarters, he said: "Yes, it is true; we are indeed under arrest."

According to military sources, the government of Gen Luiz Garcia Meza is in full control of La Paz, but the situation is still uncertain in the rest of the country.

Garcia Meza, who this morning visited the military school of the army, later went to the Miraflores headquarters of this capital where the two leaders of the rebel movement are under arrest.

Military sources who oppose President Garcia Meza have admitted that their movement had failed in La Paz, but guaranteed that the situation was different in the provinces and that they had the support of part of the air force.

Early this morning, armored vehicles and light tanks took over downtown La Paz and surrounded Government House. This movement of troops went unnoticed to most of the citizens of La Paz because of the curfew which has been in force since last year.

They had taken over the government and ousted General Garcia Meza, who yesterday had travelled to Santa Cruz in southern Bolivia. However, loyal political and military sources denied that Government House had been taken over by the rebels.

At the same time, security organizations confiscated the entire issue of the morning daily PRESENCIA which carried on its front page the announcement of Garcia Meza, according to the sources of this daily.

The sources added that the report included General Cayoja's statement to the effect that the junta of commanders had relieved Garcia Meza as president of the nation and had taken over the government prior to appointing a successor.

However, by mid-morning the rebel troops which were surrounding Government House retreated to positions near the Miraflores general headquarters, thus strengthening the impression that the movement had been unsuccessful in the capital.

The radio stations, including state-owned ones, had continued broadcasting their normal programming while government security organizations took over telephone and telex facilities, cutting off communications with the rest of the world.

Rebel military sources indicated that they had the support of at least six rural units, but they admitted that the situation in La Paz had gone against them.

Garcia Meza, in addition to the loyalty of the military school under the command of Col Faustino Rico Toro, had the support of the Colorado Regiment, Ingavi Regiment and part of the powerful Tarapaca Regiment. The other part of the Tarapaca Regiment was supporting the rebels and its troops had occupied the city, surrounded Government House and later withdrew toward the south.

## Government Statement Released

PY271545 La Paz Radio Illimani Network in Spanish 1535 GMT 27 Jun 81

[Text] The Press and Information Secretariat of the Office of the President of the Nation wishes to inform the public about the events which took place early this morning:

1. Gen Luis Garcia Meza Tejada is presdient of the nation with full support from the armed forces and the consensus of the citizenry in keeping with the mandate received in July 1980. Therefore, the reports released by certain news media are absolutely groundless.

2. Those responsible for the act of insubordination, which has received only minimal support from a fraction of the Tarapaca Regiment, have been relieved of their posts and will be tried in accordance with the military law and the military penal code.

3. Activities are developing normally throughout the nation and tranquility prevails in the country.

La Paz, 27 June 1981

## Peasant Group's Support

PY271830 La Paz Radio Illimani Network in Spanish 1700 GMT 27 Jun 81

[Text] The Bolivian National Peasant Workers Confederation, CNTCT, has declared a state of emergency in the confederation until military officials ratify Gen Luis Garcia Meza as head of the government of the armed forces.

This position was released to the communications media through a communique addressed to the nation and signed by Clemente Alarcon, CNTCB executive secretary; Dionicio Osco secretary of the La Paz federation; and (Pedro Chiricuchi), executive member of the Bolivian Peasant Association.

The declaration states: We hope you are all alert and ready to receive orders from this confederation to set up road blockades and to adopt other measures until the consolidation of Gen Luis Garcia Meza's status as chief of state is achieved, not just for 24 hours but for a long time.

[Words indistinct] we have supported and we continue to support the administration of Gen Garcia Meza because he, along with the armed forces, have put an end to chaos, anarchy and political chicanery and made the revolution of national reconstruction of 17 July 1980 an historic reality.

The declaration adds that no more changes of the Presidency should be allowed, that Gen Luis Garcia Meza must continue as head of the Executive Branch, as head of the revolution of national reconstruction, because he has fully shown his high degree of responsibility in the service of the nation.

## Units Demand Generals' Freedom

PY271723 Paris AFP in Spanish 1705 GMT 27 Jun 81

[Text] La Paz, 27 Jun (AFP)--It was reported here today that the political and military situation which had seemed firmly in President Luis Garcia Meza's favor has begun to deteriorate again as various military units have started to ask for the freedom of Gen Humberto Cayoja and Gen Lucio Anez.

A round of talks is scheduled for the next few hours between the commanders of the various Bolivian divisions who will make the final decision as to whether Garcia Meza will stay on as president or not.

It has been reported that certain military units in Trinidad and Camiri, in the north and east of the country respectively, have made categoric demands for the release of Army Commander in Chief Humberto Cayoja and his Chief of Staff Lucio Anez.

## Rebels Claim Betrayal

PY271905 Buenos Aires LATIN in Spanish 1835 GMT 27 Jun 81

[Excerpts] La Paz, 27 Jun (LATIN-REUTER)--President Luis Garcia Meza today thwarted a military coup d'etat in La Paz and retook control of the city after arresting two rebel leaders.

One of the rebel leaders told this news agency the uprising had failed in La Paz because its leaders had been betrayed by their comrades-in-arms. He said that the elite of the Bolivian Army was commited to Garcia Meza's ouster.

Describing the reasons for the uprising, the rebel leader mentioned administrative corruption, deals with precious stones, and the inability to handle public affairs, foreign relations and domestic policy.

The officer added--during a telephone call from his place of arrest--that the garrisons of Robore, Camiri and Trinidad remained opposed to Garcia Meza while contact had been lost with Santa Cruz.

This news agency contacted the commanders of the 8th division headquartered in Santa Cruz, and they indicated that their position on the matter would be released later.

## Deal May Solve Crisis

PY271927 Paris AFP in Spanish 1855 GMT 27 Jun 81

[Text] La Paz, 27 (AFP)--Observers commented here this afternoon that the confirmation of the promise made by Bolivian President Luis Garcia Meza to hand over the government on 6 August would be a solution to the political and military crisis that had taken place here today.

They added that this kind of deal would give back the command of the army to Gen Humberto Cayoja and the command of the army staff to Gen Lucio Anez Rivero.

Anez Rivero, during a news conference held 48 hours ago, asked the commanders of the army who supported the presidential succession during a meeting held on 1 and 2 June to maintain their position with firmness and dignity.

Apparently this call is beginning to have results because a large majority of the garrisons around the country are reportedly supporting this kind of solution, a solution which will have the virtue of avoiding a military confrontation.

It is expected that in a few hours, a decisive meeting with the military high command will be held at Garcia Teza's house, a meeting which would also be attended by Anez and Cayoja who, due to the current military pressure, would be released.

In conclusion, it has been pointed out that as of this time, Oscar Pammo, commander of the Navy, has not yet made a statement regarding the conflict between the president and the army high command.

## Temporary President Possible

PY272002 Paris AFP in Spanish 1932 GMT 27 Jun 81

[Excerpt] La Paz, 27 Jun (AFP)--The names of the current defense minister, Gen Armando Reyes Villa, representing Garcia Meza's faction; and of Army Chief of Staff Gen Lucio Anez Rivero, of the opposition, are being mentioned as possible replacements of current President Luis Garcia Meza.

Reyes Villa or Anez Rivero would take over as acting president until the junta of commanders of the three armed forces branches can make a definite appointment of a president of the nation.

## Radio Director Arrested

PY272142 Paris AFP in Spanish 2134 GMT 27 Jun 81

[Text] La Paz, 27 Jun (AFP)--It was reported here today that the director of Radio Maritima of Santa Cruz (1,000 km east of La Paz) was the only journalist arrested in the country during the political and military crisis which took place today.

Juan Francisco Flores, one of the best-known figures of Santa Cruz news media circles, was taken from his residence at 0830 today, according to his relatives, and the authorities have not explained the reasons for his arrest.

It was recalled that twice before Radio Maritima has experienced a raid and has had its equipment destroyed.

## New Army Commander Designated

PY272209 Paris AFP in Spanish 2200 GMT 27 Jun 81

[Text] La Paz, 27 Jun (AFP)--Interior Minister Col Celso Torrelio Villa was installed here today as commander of the army by Bolivian President Gen Luis Garcia Meza, in a ceremony carried out to demonstrate the failure of the subversive coup which took place early this morning.

## Garica Meza's Address

PY272341 La Paz Radio Illimani Network in Spanish 2250 GMT 27 Jun 81

[Text of speech by Bolivian President Luis Garcia Meza on installing new Army Commander Gen Celso Torrelio Villa on 27 June--live]

[Text] Members of the government junta; Mr Rear Admiral, commander of the naval force; and members of the government junta [as heard]; Mr Defense Minister; Mr Commander in Chief of the Army; generals, officers and officials; ladies and gentlemen:

Once again the armed forces of the nation have shown the Bolivian people their patriotic responsibility in fulfilling their institutional mission of preserving public order and national security before the preposterous coup attempts which have received the general repudiation of all citizens of the country. A new attempt to bring mourning to the country has been weeded out, an attempt which is the fruit of the misery and stagnation which have resulted from personal passions and the ambition for power on the part of alleged leaders.

Today's subversion has been a most dishonorable imitation of that sorrowful and criminal event which had broken the arm of Marshal Sucre in the beginning of the republic. Looking back on that tragic day, we see reflected the same event which--when seen from abroad--gives a discredited image to the country, presenting it as the most troubled piece of land in the continent, dominated by complete anarchy.

The insubordination, promoted by persons erroneously called revolutionaries, only serves to tarnish the national situation and to strengthen those negative factors which thwart our economic and social development--a genuine development in which the armed forces are involved. The armed forces are engaged in increasing the opportunities for the Bolivian citizens, offering them better living conditions and creating the indispensable conditions for the full development of our society.

Since 17 July we have fought with decisiveness and responsibility against the provocative acts promoted from abroad by the ultraleft which has been ousted. The Bolivian people have risen with their armed forces united in only one will, to ratify their faith in the nationalism we advocate, and to ratify their unconditional adherence to the permanent and everlasting values of the fatherland.

The military institution, without resorting to the financial sponsorship of political traffickers, has responded to the call of the people to raise their voice and say: We have had enough of childish, utopian and [word indistinct] extremism. We have faced a number of internal and external difficulties, particularly the attacks of the international press, which is committed to international ideologies, which has distorted the real image of Bolivia.

We have been victims of the misunderstanding of those who should recognize that our task is to prevent subversion from dominating the Southern Cone as is happening in Nicaragua, El Salvador and Guatemala. Nevertheless, what is most serious for the whole world, the country and the military institution is that, some colleagues--because of misunderstanding and encouraged by personal interests and dismissed, disillusioned politicians--have on repeated occasions tried to destabilize the government of their own institution, under a pretext which has no historical justification.

They have reached the point of making a pact with agents paid by Castro's communism, to divide the armed forces and eliminate the very nationalism of the country.

I have assumed the Presidency of the Republic, not for personal ambitions, but by designation of the armed forces in circumstances critical to national survival and, facing a critical economic and social situation created by the mistaken economic policy of the pseudodemocracy which has imposed sacrifices on the country with inopportune devaluations and fuel price increases. Since then the armed forces have been carrying out government functions, not because they have rifles and tanks, but because populist caudillos had betrayed the aspirations of the Bolivian people.

Since the Chaco War, with Toro, Bush, and Villarroel; Bolivia has received patriotic contributions to set the foundation of a society; establishing such measures as the nationalization of mines, agrarian reform and free elections. Now we are beginning an historical struggle of weeding out personal ambitions, eradicating forever the tragic coup d'etats, establishing a responsible administration through the presidential succession system which has been established as a basis of nationalism.

The time has come to put an end to shameful events. The time has come to know who we are and where are we going. We military officers must show that we are capable of fighting with resignation, loyalty and patriotism for the real cause of Bolivia. And as soldiers we swear to defend it beyond any self interests.

The Bolivian people must be absolutely sure that they will have peace and tranquility, and that we will meet decisively any act of provocation. Those who believe that the armed forces are divorced from their people are absolutely wrong. Those who think in this manner are assuming a false leadership and fear an institutionalist process which does not admit caudillos.

Consequently, beginning with the officer with highest rank to the lowest soldier, with or without uniform, we will risk our lives for the defense of our armed forces' integrity and for this political process which is the ultimate real option for saving the nation's progress and wellbeing.

General Celso Torrelio Villa, on installing you as new commander of the army, I appeal to your upright military training, to effectively lead our army, whose historical honor is decisive in this process of national reorganization. Thank you.

New Army Commander Comments

PY280012 La Paz Radio Illimani Network in Spanish 2300 GMT 27 Jun 81

[Text of speech by Gen Celso Torrelio Villa on being administered the oath of office as army commander in chief in La Paz--live]

[Text] Mr President of the armed forces Government of National Reconstruction, commanders of forces and members of the junta of commanders, ministers, generals, officers, non-commissioned officers, corporals, journalists, ladies and gentlemen:

The national government has appointed me army commander in chief, the highest honor for an officer who, like me, has always devoted his best efforts to the institution and to the fatherland and has never veered away from the path of honor, sacrifice, and dignity, which can only be achieved through a steady, honest and unwavering behavior.

On assuming the duties with which I have been honored, I want to state that I am clearly aware of my responsibilities and I hereby pledge before all my comrades that I will lead the national army through a course in which military rules will be strictly observed in keeping with the armed forces charter and military statutes and regulations.

I promise you that I will bring the institution back on the course of discipline and love for the fatherland. Every officer will have to subordinate his actions to these values and, above all, will have to preserve the unity of the armed forces, which are today facing a great historical responsibility.

I will not tolerate any disruption of internal order and I will devote my best efforts to honoring and to dignifying the army, which is the custodian of the fatherland.

Appointments of commanders will be based on professional merits, always seeking to promote harmonious unity, discipline, and respect for the institution. On assuming the duties entrusted to me by the Government of National Reconstruction, I want to express that I am an advocate of nationalism, institutionalism and patriotism.

On assuming the high duties of army commander in chief at this difficult time, I wish to ask the lord and our forefathers to guide us through that thorny path of duty so that we may wear our uniforms with increasingly great pride and unity and so that we may have the sacred Bolivian symbols respected at all times. Thank you. [applause]

## New Army Chief of Staff

PY280213 Buenos Aires LATIN in Spanish 2359 GMT 27 Jun 81

[Excerpts] Gen Carlos Turdera has been designated chief of the army staff. He replaces Gen Lucio Anez, who is one of the military officers detained after the coup attempt.

## Resistance to Regime Reported

PY280431 Paris AFP in Spanish 0343 GMT 28 Jun 81

[Excerpts] La Paz, 27 Jun (AFP)--Although President Garcia Meza has consolidated his positions in La Paz, site of government headquarters, the same thing does not seem to be prevailing in some districts of the interior of the republic, according to remarks made by some political analysts here today, 17 hours after the aborted subversive coup to overthrow the presidency.

Unconfirmed reports indicated that some garrisons such as those in Camiri, in the eastern part of the country, headed by Col Olvis Arias; and that of Trinidad, in the northern part of the republic, led by Col Felix Villarroel, are insisting on the resignation of Garcia Meza as the only solution to the current crisis.

It has not been possible to learn, so far, the degree of support for these positions, although some sources indicate that the president may have been given an unrevealed period of time to abandon the government.

The uncertainty existing in some distant areas of the nation contrasts with victories achieved by Garcia Meza in this capital.

Nevertheless, it has not been possible to learn whether the La Paz garrisons have supported the continuation of the Garcia Meza government until 6 August, as the president promised on 26 May; until the end of the year, as he requested in a speech delivered yesterday; or indefinitely.

How the ministerial cabinet will be made up is also unknown, since the key post of the Interior Ministry which had been occupied by Torrelio Villa, has been left vacant.

Bolivia has been characterized as being a country in which rare things happen, and that is what happened today.

Thus, for example, General Anez, despite his detention at the chief of staff headquarters, made some remarks over the phone to the press, explaining that the coup had failed in La Paz due to the treason of some comrades who had been bribed.

He added that the situation has not been totally solved in the interior of the country.

In this manner, it has been said that Anez and Cayoja had succeeded in moving out clandestinely and that former President Alberto Natusch Busch had decided to head a new subversive coup from Cochabamba, although none of these reports have been confirmed.

The only definite report is that the subversion has failed in La Paz and that the uncertainty prevails in certain zones of the interior.

## Generals To Be Exiled

NC281304 Paris AFP in English 1256 GMT 28 Jun 81

[Text] La Paz, 28 Jun (AFP)--Four Bolivian Army generals alleged to have been involved in a plot to topple President Luis Garcia Meza will be flown today into exile in Argentina, it was reported here.

The four were named as Generals Humberto Cayoja Riart, Lucio Anez Rivera, Rafael Ramallo, and Simon Cejas.

Yesterday Gen Cayoja was replaced as army commander-in-chief and Gen Anez as chief of staff.

Press reports said they had been arrested along with Gen Ramallo of military intelligence and two colonels.

## Statements by Cayoja

PY282024 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1703 GMT 28 Jun 81

[Text] San Salvador de Jujuy, 28 Jun (NA)--Gen Humberto Cayoja Riart, former commander of the Bolivian Army and one of the leaders of the aborted coup against Bolivian President Luis Garcia Meza, said here today that the president's replacement "had been decided for next August" and that in this regard "there had been an agreement in the large units" both in the capital and in other cities. Cayoja made this brief statement at the local Cadillal Airport when he arrived on a stopover from La Paz on board an F27 Bolivian military aircraft.

The military chief arrived in Argentina in exile along with Gen Lucio Anez Rivero, former army chief of staff; and Gen Rafael Ramallo and Gen Simon Cejas, the other officers involved in the aborted coup to overthrow Garcia Meza. They were also accompanied, as custodians, by Capt Alberto Ordonez and Warrant Officers Jorge Salazar, Miguel Galarza and Arturo Veisaga.

The Bolivian officers traveled in the company of the Argentine air attache, Col Miguel Placencia. The plane, with a crew made up of Commander Oscar Gilarte, Capt Oscar Velazquez and Warrant Officer Ruben Alarcon, continued its flight at 1250 to its final destination, Ezeiza International Airport.

During his brief stay at the local airport, Cayoja--who was wearing a grey suit and was in a good mood--and those accompanying him--remained in the airport coffee shop declining to use the VIP facilities.

In brief statements to reporters, Cayoja said that the president's replacement next August "had been decided in the large units" of La Paz and other cities.

He said that "the economic crisis affecting my country is extremely serious" and that "it is necessary to implement profound changes."

He said that the military junta planned "to implement a political and social development plan for large transformations aimed at achieving without a definite schedule--the democratization of the country at the appropriate time."

He said that he is coming to Argentina in "exile" and that he has "great respect" for this country because he has relatives here on his mother's side.

There were no special security measures at the airport or around it when the Bolivian officers arrived.

There were also no air police reinforcements at Cadillal Airport.

Generals in Buenos Aires

PY282043 Paris AFP in Spanish 2003 GMT 28 Jun 81

[Excerpts] Buenos Aires, 28 Jun (AFP)--Gen Humberto Cayoja Riart, former commander of the Bolivian Army, arrived in Buenos Aires at 1605 this afternoon as an exile.

The Fokker 27 of the Bolivian Air Force in which he traveled from La Paz also carried Gen Lucio Anez Rivera, former chief of the general staff; and Generals Raul Ramallo and Simon Cejas, all involved in the aborted coup against President Luis Garcia Meza.

Former Bolivian President Gen Hugo Banzer Suarez is also in Buenos Aires.

POLICE MAY BE INCORPORATED INTO ARMED FORCES

PY261414 Paris AFP in Spanish 2245 GMT 25 Jun 81

[Text] La Paz, 25 Jun (AFP)--Bolivian President Luis Garcia Meza stated here today that the Bolivian police could be integrated to the armed forces as the fourth military branch on 7 August 1981. The president indicated that this decision is being studied; so far the police force has carried out its specific duties in an independent manner.

This possibility has been proposed on several occasions, but has never been adopted. On the contrary, a certain distancing between the armed forces and the police has been noted since April 1952, due to the role the police played in the popular movement which overthrew the constitutional order established at that time.

FINANCE MINISTER ON CURRENT ECONOMIC CRISIS

PY261636 Buenos Aires LATIN in Spanish 2322 GMT 24 Jun 81

[Excerpt] La Paz, 24 Jun (LATIN-REUTER)--Bolivian Finance Minister Jorge Tamayo Ramos today said that Bolivia's political uncertainty has significantly affected the country's economic situation.

In a statement to the news media the minister indicated that the problems which Bolivia's economy is facing are the result of the political crisis and the state of mind of the population, which is awaiting political developments.

Tamayo Ramos indicated that the political uncertainty stems from Garcia Meza's announcement that he will step down 6 August.

FURTHER INFORMATION ON URANIUM SHIPMENT

PY261405 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jun 81 p 1

[Text] Barrels of strategic minerals were transported from Sao Paulo to Sao Jose dos Campos on a big Scania truck belonging to a mineral transport company from Pocos de Caldas, over the period from 29 November 1980 to 15 January 1981. The 60-kilogram barrels were transported at the request of the National Nuclear Energy Commission [CNEN] from a CNEN warehouse on the Avenida das Nacoes Unidas in Sao Paulo. The truck unloaded the barrels "in a large warehouse" in Sao Jose dos Campos at a site known to the driver by the name of "aeronautica." According to a source connected with the transport company from Pocos de Caldas, the CNEN paid 250,000 cruzeiros for nine trips and "no receipts or invoices" were given. This transport company has been working for the CNEN and Nuclebras for 3 years, transporting strategic minerals. This was the first time that the company made trips from Sao Paulo to San Jose dos Campos.

NAVY MINISTER SCORES PRESS OVER URANIUM SALE

PY271744 Sao Paulo O ESTADO DE SAO PAULO in Portugese 26 Jun 81 p 6

[Text] Brazilian Navy Minister Adm Maximiano da Fonseca yesterday in Sao Paulo accused the daily O ESTADO DE SAO PAULO of "being irresponsible and exceeding the boundaries of freedom of expression by making charges without any evidence to the effect that Brazil is supplying Iraq with uranium. Even if it were true, Brazil is a sovereign country and can sell uranium to whomever it wants and it is nobody's business."

Maximiano da Fonseca made his charges while explaining that the country should have an exceptional law, which in his opinion could be called the national security law or anything else, designed to "restrict certain abuses and lack of responsibility which take place around here."

When we asked him exactly where, the minister said: "Among the news media, where a certain newspaper is making terrible charges under huge headlines, besmirching all and sundry, without proving anything." The minister then went on to speak about O ESTADO's report about shipments of Brazilian uranium to Iraq.

According to Adm Maximiano da Fonseca, the foreign minister "has clearly and perfectly defined this uranium affair by explaining that Brazil has a nuclear accord with Iraq, an accord which is perfectly well known, and that selling uranium is no crime.

Maximiano da Fonseca believes that the reports recently released by O ESTADO are "proof of its lack of responsibility because there is no evidence. And even if it could be proven, the truth is that to sell uranium is no crime." He said that he does not understand the objective of all this display of news: "I do not understand all this uproar. Potentially, we have a great deal of uranium in Brazil and we will export much of it, to whomever may want it--whether to Iraq, France, China and Israel or anyone else has nothing to do with it. We will sell to anyone who may want it."

The admiral said that the news media "have the right to make accusations and prove them, but they cannot besmirch everyone through sensational headlines without proving anything. This is a lack of responsibility and exceeds the boundaries of freedom of expression."

Because of this, the minister said that there should be an exceptionaly law "to avoid certain things, certain abuses and lack of responsibility, just like in any democratic country in the world. No one wants to curb the broad freedom of expression which the press enjoys, but there must be responsibility." The navy minister held his interview yesterday at Congohas Airport on his arrival from Brasilia to Sao Paulo where he will stay for 2 days.

NAVY MINISTER SAYS COUNTRY COULD BUILD ATOM BOMB

PY271700 Paris AFP in Spanish 1554 GMT 27 Jun

[Text] Sao Paulo, 27 Jun (AFP)--Brazilian Navy Minister Maximiano da Fonseca revealed today that Brazil could build an atom bomb, but is not interested in doing so.

The Brazilian Navy minister made this remark at a news conference in which he discussed the program to modernize the navy over the next 10 years. This program includes the construction of a nuclear submarine.

He said that this submarine will be nuclear only as far as its power system is concerned and not as a weapon. He added that the navy will purchase the design abroad and build it with Brazilian equipment.

Admiral Maximiano da Fonseca concluded by saying that to build this submarine, the navy will use the facilities of NUCLEP [Nuclebras Heavy Equipment Inc.], a subsidiary of the Nuclebras enterprise.

FOREIGN MINISTER PLEASED WITH ISRAELI LETTER

PY261440 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jun 81 p 12

[Excerpts] Yesterday Foreign Minister Ramiro Saraiva Guerreiro described the language of the letter from Israeli Foreign Minister Yitzhaq Shamir as "a good sign," denying the participation of Israeli Government functionaries or agencies in accusations that Brazil may have supplied uranium to Iraq.

According to Guerreiro, the uranium case which has strained relations between Brazil and Israel is now changing its course in consequence of the Israeli foreign minister's letter which "the Brazilian Government cannot but take into consideration."

Asked whether the Brazilian protest was based on news reports or on investigations by Itamaraty, the foreign minister noted that Itamaraty "does not function as an investigative agency, but we had no reason to assume that the news reports were necessarily wrong. So we took into consideration those reports, just as we are now taking into consideration those reports, just as we are now taking into consideration Israel's official denial."

In conclusion, Guerreiro said: "We only have one legitimate interest: that is, to see that the false news that was spread be understood not to be the truth."

BRAZILIAN PRESIDENT VISITS; AGREEMENTS SIGNED

Brazilian President Arrives

PY250316 Buenos Aires LATIN in Spanish 2317 GMT 24 Jun 81

[By Miguel Paredes]

[Excerpts] Lima, 24 Jun (LATIN-REUTER)--Today President Joao Figueiredo, who started the first visit of a Brazilian president to Peru, discussed the need to adjust the economic differences between the industralized and the developing countries. Figueiredo, who will remain in Lima until Saturday, was met at the local airport by his Peruvian counterpart Fernando Belaunde Terry and other high-ranking civilian and diplomatic personalities in the midst of strict security measures.

During his speech at a welcome ceremony General Figueiredo stated that the regional community does not request the industrialized nations' generosity, but that it demands equal and just treatment. Figueiredo added that the adjustment of economic differences between North and South is necessary for international peace and that observing the basic ethical standards will benefit the world economic system.

Referring to the Latin American situation he pointed out the need for peace in the area and added that a calm situation will keep alive our ideals of unity and integration. He also stated that at the same time we must seek to strengthen our bilateral relations in order to make them more fruitful and diversified.

The head of state, who held a private meeting with Belaunde 2 hours after his arrival, voiced his optimism that the presidential talks will find the solutions necessary to overcome the challenges we are facing.

The president arrived accompanied by a retinue of 460 persons, which includes seven ministers and about 300 businessmen, who will hold talks and negotiate a series of official and private agreements.

Tonight Figueiredo was greeted by the diplomatic corps and attended a dinner party in his honor at government palace. Before the dinner party President Belaunde decorated his Brazilian counterpart and his minister.

After reviewing the honor guard at the airport Figueiredo stated that the Peruvians and Brazilians are currently experiencing a time of changes in all the sectors: we are moving toward the institutionalization of democracy, revitalizing the representation mechanisms and are making an effort to develop the economic and social sectors.

He added that Brazil and Peru are linked by the desire to consolidate democracy and pointed out that the two nations share a border almost 3,000 km long which unites us in our strong interest concerning the Amazon.

Belaunde on Nuclear Energy

PY262045 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jun 81 p 6

[Text] After his first work meeting with President Figueiredo at Government Palace, Peruvian President Fernando Belaunde Terry stated that his country is not interested in developing a nuclear program because of the danger it represents and because of the abundance of its energy sources: "Peru is generously gifted with energy sources which are less alarming, less subject to the accidents that have happened elsewhere."

Belaunde stated that nuclear energy has two aspects: "In the military aspect it constitutes a threat, and in the aspect of generating energy for peaceful ends it unfortunately also offers some dangers of accidents which could alarm or affect neighboring populations."

Even though an agreement for cooperation in the nuclear sector is included among the agreements to be signed at the end of President Figueiredo's visit to Peru, Belaunde stated that his country will give priority attention to the agreement for cooperation in the electric energy sector, a field in which Brazil is already present at the Charcani 5 Dam, which is being built with the participation of the Norberto Enterprise.

The Peruvian president said that at this first meeting with Figueiredo, which lasted a little more than 30 minutes, late in the afternoon, they discussed the North-South dialogue. He stated: "What worries us most is the price of raw material which has increased very slowly, while the price of manufactured products increased at a much faster pace."

He said that Brazil will play a very important role at the meeting to be held in Mexico in October, between developing and developed countries, because "its economy is not based on a few products and is placed in a more advanced industrial cycle than many other countries."

Regarding the Brazilian participation in the 5-year development plan, which is being implemented in Peru, Belaunde mentioned the possible transfer of technology which is already taking place in a lesser scale, and also the transfer of resources.

Regarding the domestic policies of the two countries, Belaunde stated that there are similar points between the two: "As we all know, the Peruvian Armed Forces decided to return to constitutionalism, and then the popular decision was respected. You see the situation today in Peru. There is an absolute brotherhood between the government and the people. I hesitate to say that there is unanimity, but that never happens in politics. But this is a country where I can walk everywhere."

He feels that this issue will be included in the talks he will hold with Figueiredo: "Our countries are quite similar. They have their own characteristics, of course, but they are very similar and I believe we have much to learn from each other, from our errors, our successes and our hopes."

Figueiredo Speech

PY262036 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jun 81 p 6

[Brazilian President Joao Bautista de Figueiredo's speech at dinner given in his honor by Peruvian President Fernando Belaunde Terry on 24 June in Lima]

[Excerpts] Mr President: with great satisfaction I thank your excellency once again for the honorable invitation to make an official visit to the Peruvian nation.

I also want to thank you for the words your excellency has just spoken which I attribute to your constant friendship with and considreation for the Brazilian people.

The Governments of Brazil and Peru are trying to demonstrate that serene political action, within the legal norms, is the most effective form to discourage extremism. It is the best form to create conditions so that the democratic game, the multiparty system, and open discussion may be normal elements of the two countries' living conditions.

In the international field, we are noting with concern the use of violence, whether used as a barrier for the defense of the established order, to force the change of that order.

It is becoming indispensable to form a movement against the acceptance of violence among nations, regardless of their origins or motivations. There are no means to justify them; it is impossible to be unjust in our struggle for justice.

Mr President: Brazil expects a great deal from your excellency's personal contribution to renew the historical ties of brotherly friendship which unite our countries.

The Amazon region is one of the international springs of Peru.

And Peru has turned it into the stage, par excellence, of its friendship with Brazil. The Amazon is a common challenge to be overcome, not only by the two countries, but also by the other countries of the region. They decision to negotiate and sign the Amazon cooperation agreement has emerged from this idea.

The other international commitments of Peru would be the Andean region and the Pacific. This natural desire has been expressed by the unprecedented action of changing the Law of the Sea, with the theory of extending to 200 miles the exclusive state sovereignty over its territorial waters. This idea, at times expressed in different forms, has gained supporters and today it serves as basis for neogitations within the United Nations.

Peru has also played an important role in the Andean group in seeking to bring into being the integration project, which would be concluded with the Andean Pact. The Peruvian contribution in the effort or rapprochement between Brazil and the Andean group is also notable.

Mr President, with that firm resolution and unshakable conviction regarding the future Peruvian-Brazilian friendship, I ask all those who are present here, to toast with me for the growing prosperity, harmony and well being of the friendly people of Peru, and for the constant success and absolute personal happiness of his excellency the president and his wife, Mr and Mrs Belaunde.

## Agreements Signed

PY280209 Brasilia Domestic Service in Portuguese 2200 GMT 26 Jun 81

[Text] President Joao Figueiredo's visit to Peru was marked today by the signing of eight agreements between the Brazilian and Peruvian Governments. President Figueiredo and Belaunde Terry signed a cooperation agreement on the peaceful use of nuclear energy in keeping with their espective nuclear programs and taking into account the international commitments by which both parties are bound. The agreement includes the construction of experimental reactors, the production of radioisotopes and the protection of both the people and the workers from radiation.

The two presidents signed an agreement to set up a road link between the Brazilian town of Assis and the Peruvian town of Inapari. The agreement also states that the two parties will intensify bilateral cooperation to complete international roads linking the two countries.

A supplementary annex to the cultural agreement on cooperation among universities, also signed today, is designed to establish joint programs among Brazilian and Peruvian universities to promote cultural advancement and scientific research in the Amazon region.

The two presidents also signed an agreement on scientific and technological cooperation. A submcommittee will be created to promote exchanges of researchers, scientists and professors and to organize seminars, courses and symposiums.

A supplementary annex to the basic agreement on technical and scientific cooperation emphasizes coordianted actions between Brazil and Peru in the field of telecommunications. The document is designed to promote industrial development, exchanges of technical data, the installation of telephone systems in rural areas, the training of personnel and a survey of the market and of the demand for telephones.

Through a declaration of intent signed by Brazilian Mines and Energy Minister Cesar Cals and his Peruvian counterpart, Pedro Pablo Kuczynski, the two countries will implement joint programs in energy sectors (passage indistinct) research, (?including) the coal mining department and the training of personnel involved in the mining-energy program.

An annex to technological cooperation in the meteorological field, also signed today, will promote joint studies to detect eventual outbreaks of atmospheric precipitation and to gather data for maintaining the hydric and hydrotropic balance in the Amazon region.

Finally, Henrique Brandao Cavalcante, president of the Brazilian Iron and Steel Corporation, and Alfredo Acuna, president of the Peruvian State Iron and Steel Enterprise, signed a general agreement on exchange of technical, scientific, financial and economic information, and on the training of personnel and joint research in problems affecting either of their two countries or third countries.

In a joint declaration signed in Lima this afternoon, Presidents Figueiredo and Belaunde Terry reiterate every country's right to achieve self-fulfillment in the international community based on the principles of equality and respect for territorial integrity.

They reaffirm the Peruvian and Brazilian resolve to focus their international relations on promoting the socioeconomic development of their respective peoples.

They express concern over the aggravation of international tensions and renew their opposition to every form of proliferation of nuclear arms. They condemn every form of colonialism and racial discrimination.

They emphasize the nonaligned policy and the principles which would be instrumental in creating a new system of international economic and political relations.

In the face of the effective results achieved through the coordinated action carried out by Brazil and Peru at the Third UN Conference on the Law of the Sea, the two presidents agree to carry on their mutual cooperation. They lament the fact that some countries have enacted laws to exploit the sea depth outside their national jurisdiction.

They express their concern over the world economic situation, especially the gap between developing and developed countries.

They also express their concern over the stagnation of the North-South talks. They deem it necessary for the international community to exert efforts to make a rational utilization of nonrenewable energy resources and to develop alternate sources of energy.

They reiterate that their countries have the right to use and to properly utilize their own natural resources.

President Belaunde Terry announces that his government will organize a meeting of those countries interested in the interconnection of basins. President Figueiredo welcomes the Peruvian proposal and states that Brazil will attend the meeting which will be held in Lima in October.

President Belaunde Terry also states that as soon as the Peruvian Congress approves a law on banks, a branch of the Bank of Brazil will be established in Lima. President Figueiredo says that Brazil will reciprocate by authorizing the establishment of a branch of the Banco de la Nacion in Brazil.

The two presidents regard Brazilian-Peruvian cooperation as an instrument for promoting their peoples' socioeconomic development. Among the various forms of cooperation, they agree to assign priority to the energy sector.

President Figueiredo conveys his thanks for the kind attention he, his wife and his entourage received during their stay in Peru and invites President Belaunde Terry and his wife to make an official visit to Brazil. President Belaunde Terry accepts the invitation.

## News Conference

PY282230 Buenos Aires LATIN in Spanish 1909 GMT 27 Jun 81

[Text] Lima, 27 Jun (LATIN-REUTER)--Brazilian President Joao Figueiredo said today that his country has not exported enriched uranium for military purposes to Iraq and described the report as fantastic. He commented ironically that Brazil should feel proud that there were nations which classed it among those possessing highly developed nuclear technology in the world.

Figueiredo, whose official visit to Peru began on Wednesday and ended at noon today, spoke with journalists at the downtown Bolivan Hotel of this capital.

He urged the United States to change its policy toward Latin America and asked Washington to treat each country in a different manner, taking the domestic status quo of each state into account. The Brazilian president said: Brazil feels optimistic in this regard and believes that the United States' interest in Latin America will change in order to develop a bilateral policy toward each specific country.

Relations between Brazil and Israel have deteriorated after an important Brazilian newspaper published an article last week stating that an Israeli security agent had given the newspaper information concerning alleged shipments of Brazilian uranium to Iraq. The newspaper added that its efforts to confirm this information had been unsuccessful, and therefore it did not publish it.

Figueiredo said that even though Brazil is friendly with Israel "This does not mean we cannot have trade relations with Arab countries."

The president stated that Brazil has no hegemonic intentions in the region and rejected the term "Latin American gendarme" which former U.S. President Richard Nixon coined for it a few years ago. "Brazil does not interfere with the domestic affairs of other nations, which it views as friends," he said. He added that on the contrary, his government is always prepared to help these nations' development efforts.

He said: "Brazil does not want to use diplomatic pressure or wield power. It defends its interests and believes that each one must defend its own. The pacts it enters into are sincere."

Figueiredo reaffirmed that Brazil is against any kind of violence and firmly supports peaceful solutions for disagreements and conflicts. "We do not accept violence as a reason," he said, adding that "one cannot react to violence with violence because this would mean a regression for the country and the government."

With regard to elections through a popular vote, he said that Brazil maintains the system of direct presidential elections as do the great countries of the world. He said, however, that democracy is not for export, but for domestic consumption.

"Different people have their own habits and customs as far as democracy is concerned. Brazil's system is good for Brazil, but this does not mean it should be good for other countries as well. Brazil respects the freedom of determination of other peoples," he said.

We called for a happy solution to the border conflict between Ecuador and Peru and indicated that he is sure the two countries will reach an agreement very soon.

The Brazilian president said that at the North-South conference which will be held in Mexico in October, "the developing nations must talk with the industrialized countries on an equal footing." He urged the powers that will participate in the meeting to respect the position of the southern countries and added that the latter must speak in unison. He said: "At the October meeting we must show (the developed countries) that we want a more just international order."

On Brazil's relations with Peru, Figueiredo said that several agreements have been signed. Among these he emphasized the highway accord by which a highway connecting Brasilia and Lima should be finished in approximately 3 years.

Figueiredo and Peruvian President Fernando Belaunde Terry signed a joint declaration yesterday summarizing a number of economic, commercial, technological and highway accords reached by the two governments.

## Brazilian President Departs

PY271746 Paris AFP in Spanish 1732 GMT 27 Jun 81

[Text] Lima, 27 Jun (AFP)--Brazilian President Joao Baptista Figueiredo departed at 1232 local time for Brasilia, thus ending his 4-day official trip to Peru.

## BELAUNDE ADDRESSES SEMINAR ON AMAZON DEVELOPMENT

PY261454 Paris AFP in Spanish 0416 GMT 24 Jun 81

[Text] Lima, 23 Jun (AFP)--Peruvian President Fernando Belaunde opened, at the Andean Pact headquarters in Lima, a seminar on tropical wood research and development sponsored by the regional organization and attended by delegates from 13 Latin American countries. Nearly a half of the existing tropical wood species can be found in Latin American forests.

Belaunde pointed out that the Amazon region and other Latin American river basins are promising areas because they have many energy sources as well as considerable forestry wealth.

After saying that his country is undertaking a march toward the eastern Amazon region and after encouraging the experts to draw conclusions that can be applied to the area's development, he warned against a worldwide conspiracy aimed at hindering such development.

He said that detractors, who are not aware of the actual situation, criticize our project claiming that they are defending nature and human rights, and he stressed that it would be absurd to reserve an area of over 80,000 hectares for 20 or 30 nomadic families living there, since they should be given farms to grow permanent crops instead.

Belaunde also said that the opening of the seminar was an advance welcome to Brazilian President Joao Baptista Figueiredo, who will arrive here tomorrow on an official visit, since both the Andean countries and Brazil share the Amazon region and therefore mutual relations between these two continental subregions should be encouraged.

The Peruvian president made no statement about a previous suggestion by Cartagena Agreement Board Coordinator Jose de la Puente that political support be given to the Andean Pact. The coordinator had recalled that the Andean Pact countries' presidents had supported the pact earlier in 1979.

De la Puente said that the five Andean countries--Boliva, Colombia, Ecuador, Peru and Venezuela--have 30 billion cubic meters of wood, and that 2 percent of this could resolve the subregion's 3.8 million-house deficit.

The seminar is attended by delegates from the Andean countries, Argentina, Brazil, Guyana, Guatemala, Honduras, Mexico, Nicaragua, Paraguay and from international agencies.

EL SALVADOR

## DUARTE COMMENTS ON ELECTIONS, POLITICAL PARTIES

PA261513 Paris AFP in Spanish 1227 GMT 25 Jun 81

[By Juan Nicolas Gaudenzi]

[Text] San Salvador, 25 Jun (AFP)--The National Revolutionary Movement (MNR) and the Nationalist Democratic Union (UDN), members of the opposition's Democratic Revolutionary Front [FDR] of El Salvador, "may participate in the March 1982 elections with the same rights as the other existing political parties," Napoleon Duarte, president of the governing junta, assured AFP here today.

Amid a wave of rumors of ministerial resignations and differences between the civilians and military men sharing power, the leader of the Christian Democracy explained to this correspondent that the only condition for such participation "is to accept the rules of the democratic game," and he affirmed that at this moment "the extreme right represents a greater threat than the extreme left."

Duarte gave little credibility to rumors about a government crisis and assured that "the relations between the civilians and members of the armed forces within the governing junta are absolutely normal." "We continue working in mutual agreement," he noted.

However, he termed recent meetings of business organizations, some public statements made during these meetings, and a number of articles and paid notices published in recent weeks by the local press as "part of a political destabilizing campaign directed by the extreme right."

He referred, for example, to the treatment given by the San Salvador papers to criticism made last weekend by Col Jaime Abdul Gutierrez, vice president of the junta and commander in chief of the armed forces, of the announcement of a possible wage increase made by Economy Minister Guillermo Diaz.

"Somehow, the economy minister speculated on something that is still under discussion and expressed his personal opinion. Colonel Gutierrez said the government cannot make any announcement unless there is a previous resolution. The media, however, created a fictitious climate of tension out of the issue," President Duarte said.

Colonel Gutierrez' refutation of the economy minister's statement, added to similar statements made later by Col Guillermo Garcia, defense minister, and Col Francisco Castillo, deputy minister, prompted speculations on the imminent resignation of Minister Diaz and the appearance of a rift between the political and military sectors in the government.

Referring to the threat of destabilization presented by the extreme right--"last January the greatest threat came from the extreme left," he noted--Duarte differentiated between "the legitimate labor demands of the productive private sectors in defense of their interests" and "the maneuvers of those who want to take advantage of it to kindle the flames."

As to the participation of the opposition political parties in the elections for a constituent assembly scheduled for March 1982, he explained that the FDR "cannot participate because it is not a party; but the MNR and the UDN can because they are political parties."

Asked about the measures the government plans to adopt to create the proper climate for the eldctoral process, he said "each matter will be handled at the proper time" (the lifting of the curfew and the state of siege, the normalization of partisan political activities and so forth), but added that in his opinion the electoral campaign "was already underway."

He mentioned as an example the recent meeting of representatives of the economic private sector "which proposed the creation of a new rightwing party," and the frequent publications by the National Conciliation Party (PCN) in the local press.

"For the past several months the PCN has been conducting a full campaign," the chief of state reiterated to refute the claim that the Christian Democratic Party, now in power, is the only party that can at this time engage in such a campaign.

Concerning the visit starting today of a delegation of representatives of the European Parliament, the junta president expressed his gratitude "for the good offices of the foreign political sectors," but explained that "we disagree with the intention of some of these sectors to interfere in our problems."

Recalling the recent visit of Edward Broadbent, vice president of the Socialist International, he said that "not long ago the socialists adopted motions condemning the Salvadoran Government and now they are presumably trying to mediate." "You cannot be a judge and an interested party at the same time," he noted.

Finally, he observed that the victory of President Mitterrand in France "is the product and evidence of the values of democracy. That solid and authentic democracy is the one we want for El Salvador," he concluded.

## Ungo Rejects Election Split

PA272338 Paris AFP in Spanish 1536 GMT 27 Jun 81

[Text] San Jose, 27 Jun (AFP)--The proposal of Napoleon Duarte, president of the Salvadoran junta, suggesting the participation of the Nationalist Revolutionary Movement and the Nationalist Democratic Union in the country's election has been rejected by Guillermo Manuel Ungo, top representative of the Revolutionary Democratic Front [FDR]--of which these two parties are members.

In a statement to the AGENCIA INDEPENDIENTE DE PRENSA (AIP), linked to the Salvadoran opposition, Ungo said that if the FDR participates in the 1982 elections it would do it as a whole, noting that "the junta's elections proposal is only a disguise to continue with the scheme of a war of popular extermination."

The leader of the FDR, which is a coalition made up of the Salvadoran opposition, stressed that "separate participation in the elections is unacceptable" and that "just as we participated together in 1972, now this will be done with more reason because the people have acquired experience and are involved in a political unity that is broader and deeper." However, "to participate in the elections is senseless because it would only divide the people," he noted.

Ungo added that the elections "do not have any political viability and I base this comment on statements by Engineer Duarte's own party, the Christian Democratic Party [PDC]."

The Salvadoran politician said: "In order to speak of free elections, we need a democratic government to guarantee them, a climate of political freedom and respect for human rights which is nonexistent in the country. The intensity and extent of the existing repression is such that it is becoming a genocide which is simply madness," the FDR president said.

Ungo also said that "not even the PDC sympathizers would dare go it alone in an electoral campaign because they know that terrorism operates within the state and it pursued them as soon as they spoke of reforms." "We do not agree to elections under the present conditions," Ungo emphasized explaining that "as a principle of solution they are just the contrary."

In conclusion, he recalled that in the past 50 years in El Salvador the "elections have been an instrument serving repression and political and ideological persecution and a mockery of the people's will."

DUARTE REJECTS FOREIGN MEDIATION

PA282139 Paris AFP in Spanish 1753 GMT 28 Jun 81

[Text] San Salvador, 28 Jun (AFP)--Jose Napoleon Duarte, president of the Salvadoran Government junta, reiterated today that he is not prepared to accept any international mediation in the Salvadoran conflict. He noted, however, that he appreciates "the efforts being made by friendly countries toward a political solution." With this statement Duarte referred to the visit that a delegation of the European Parliament is making to El Salvador to observe the situation first hand. Duarte stated: "We Salvadorans must solve the internal problems of El Salvador without foreign meddling."

Duarte said, however, that thanks to visits such as that of the members of the European Parliament, "we have the opportunity to show them the situation as it really is and to somewhat counteract the international campaign of misinformation that the extreme left has carried out."

Duarte said that he will not agree to any type of negotiations, although he admitted that some conditions aimed at using the elections as the solution could be discussed. He stated: "We are committed to finding whatever tools are necessary to ensure that the elections are free and take place under the most suitable conditions." Regarding the possibility of a dialogue with the opposition's Revolutionary Democratic Front (FDR), Duarte said that that organization "has always said it is not prepared to talk or to negotiate without maintaining a military objective and the government is not prepared to talk if the objective is not peace."

The leftists apparently are not prepared to participate within a framework of civil obedience because they don't want to give up terrorism or to put down their arms," Duarte stated. He added: "What the FDR wants is to negotiate while continuing to sow disorders throughout the country and no government in the world can agree to such conditions."

Duarte said that the position of the government--which views elections as the only possible solution to the Salvadoran problem--was explained to the members of the European Parliament, who are spending their final day in the country.

Duarte stated: "These people will not be able to confirm the imaginary situation that distorted propaganda efforts have created simply because such a situation does not exist and perhaps this will be an important factor in influencing their position."

Since their arrival here on Thursday, the European Parliament members have met with spokesmen for various sectors of El Salvador to gather information about what is really happening.

Milos Alcalay, representative of the American Parliament in the European Parliament; Aristides Calvani, secretary general of the Christian Democracy of America and former Costa Rican president Daniel Oduber, are here.

HONDURAN TROOPS REPORTEDLY FIGHT SALVADORAN REBELS

PA280353 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Jun 81

[Text] Part of the Honduran Army is participating in a joint plan with the Salvadoran Army to try to strike at the revolutionary forces in the border area.

Colonel Mejia Peralta of the 12th Infantry Battalion has reported that he found war materiel in the Salvadoran refugee camps located in Honduran communities that border our country. This statement is part of a joint plan to justify the transfer of refugee camps 12 km into Honduran territory, which will make it easier for Honduran Army units to participate in attacks and in the harrassment of revolutionary forces.

This mobilization of the refugee camps is scheduled for Monday, 29 June, and, it is estimated, will take about 15 days.

We denounce this new intervention of sectors of the Honduran Army in Salvadoran affairs and we appeal to the sister nation of Honduras and international organizations to (?investigate) the bad treatment and arrest of humble peasant refugees in Honduras and to raise their voices of protest in the fact of these plans to violate Salvadoran territory.

## GUATEMALA

### ALLEGED LEFTIST GUERRILLAS ADMIT TRAINING IN CUBA

PA280209 Buenos Aires LATIN in Spanish 2117 GMT 26 Jun 81

[Text] Guatemala City, 26 Jun [LATIN-REUTER]--Two alleged leftist guerrillas, who recently turned themselves in to the Guatemalan Army, said today that they had trained in Cuba along with 20 other compatriots. Paulino Castillo, 28, and Catalino Xunuch, 25, were presented to the Guatemalan press by the army, which identified them as former members of the Armed Peoples Revolutionary Organization.

Both men said they had spent about 7 months in Cuba, one of them last year and the other in 1979, where they received training in the use of weapons and explosives. According to them, they traveled via Panama and returned to Guatemala through Honduras after having been taken directly to neighboring Nicaragua. They added that at least 20 other Guatemalan leftists had also been training in Cuba when they were there.

Both Guatemala and neighboring El Salvador, countries currently shaken by the violence between the leftists and the authorities, have repeatedly charged that the insurgents have received foreign aid, particularly from Cuba.

The two men, a soldier and a peasant, turned themselves in to an army patrol last week after being cut off from their comrades in a rugged mountainous region. Hundreds have died this year as a result of the political violence in Guatemala. At least 3,000 people died violently in Guatemala last year, according to the groups connected with human rights.

### ORPA COMMANDER INTERVIEWED ON GUERRILLAS

PA282252 Havana International Service in Spanish 1800 GMT 28 Jun 81

[Text] The Cuban newspaper JUVENTUD REBELDE today published an interview by a Latin American journalist with Commander Rafael, member of the Guatemalan Armed Peoples Revolutionary Organization [ORPA], who said that the struggle in that country is continuing to advance in spite of the brutal repression by the regime.

Commander Rafael emphasized that since January the Guatemalan guerrilla columns have constantly struck at the enemy through ambushes and attacks. He also said that the ORPA, the People's Guerrilla Army, the Rebel Armed Forces and the Guatemalan Labor Party are actively striving to form regular units to attack the enemy with greater strength.

In another party of the interview Guerrilla Commander Rafael spoke about the regime's call to elections for 1982 and said that the next presidential results in this country have been already arranged according to the designs of the United States.

## BRIEFS

SATELLITE STATION--The Guatemalan Telecommunications Enterprise inaugurated a ground satellite station in El Pajon, Santa Catarina Pinula, Guatemala Department today. This station cost 9 million quetzals and will permit direct communication between Guatemala and the rest of the world through satellite. [Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 19 Jun 81 PA]

## NICARAGUA

### FORUM ON NATIONAL PROBLEMS 21 JUNE: SESSION TWO

PA251400 Managua Radio Sandino in Spanish 1932 GMT 21 Jun 81

[Afternoon session of the Nicaraguan forum of national problems, with government delegates Commander of the Revolution Carlos Nunez, coordinator of the government delegation, Nathan Sevilla of the Sandinist National Liberation Front and Gustavo Tablada of the Socialist Party; government alternate delegates Alejandro Gutierrez of the People's Action Movement, Eli Altamirano of the Communist Party, Edgard Macias and Ulises Somarriba; opposition delegates Donald Castillo, coordinator, Alvaro Jerez of the Nicaraguan Democratic movement, Adan Fletes, chairman of the Social Christian Party, Roberto Urros, Ramiro Sacasa of the Constitutionalist Liberal Movement; and Guillermo Potoy of the Social Democratic Party; and moderator Juan Corrales; held at the Planning Ministry auditorium in Managua--live]

[Excerpts] [Urros] [Words indistinct] that one of the causes of the country's economic problems and of the people's socioeconomic situation is the inheritance from Somozism. It is, therefore, necessary to get rid of this inheritance by undertaking the tasks of national reconstruction within a framework of unity.

Post-revolutionary period: We must now talk about the current causes that have augmented rather than alleviated the country's economic deterioration. Although it is true that some areas of our economy have improved, they have not improved to a degree that is even minimally satisfactory due to reasons that we will mention later. We do recognize, however, that real social advances have been made on behalf of the people. The following are the causes that we might mention:

1. A climate of confidence does not exist in the country. This results in the paralyzation of private investments, both national and foreign. We might also mention a lack of laws on foreign investment.

2. There have been unjust confiscations of the property of people to whom Decree No 3 is not applicable, the seizure of factories and land, and the arbitrary intervention of enterprises. We agree, however, with the confiscation of property belonging to Somozists [word indistinct] in accordance with the law.

3. Capital has been depleted. Logically, this affects the economy, but one would have to mention the depletion of capital in both private and state enterprises. One would also have to check whether an enterprise is really losing capital when this charge is made and the culprits would have to be punished, but not those who are guilty. In this regard, we condemn those who drain their enterprises of capital, but we would also like to mention other forms of capital depletion we see, such as the current government's squandering due to a lack of administrative efficiency and the exaggerated state bureaucracy.

I would like to note that before the recess there was a question about why the government's side was being taken out and [words indistinct] against our technicians in the government. We are not discussing the technicians' incapability. We were saying, however, that they do not appoint really technically capable people to the key command positions. Instead, they appoint people who are politically aligned. As a result of this, true decisions are not made and there are administrative deficiencies.

All these things we have mentioned lead to excessive expenses which our resources cannot absorb and which must be made up for by acquiring a larger foreign debt. We said, for instance, that the Central Bank increased its foreign debt from 1.1 billion cordobas in March 1979 to 3,255,000,000 in March 1980. When we include the entire financial system, the figure increases and reaches the sum of 4,726,000,000.

5. [As heard] There is a lack of material incentive for the workers. Our people are used to receiving the incentives that result from their own efforts in the area of production. This is not happening in either the state or private areas. Still, there may be some cases of this.

6. There is a shortage of raw materials. This shortage is not only the result of a lack of currency for our exports have not reached the amounts expected originally, but there has been an inadequate rationalization of currency, which has been used in nonproductive areas. This has led to a partial paralyzation of a large area of the national production. We can even say that total paralyzations may already be taking place.

7. There is a dearth of national savings, resulting from the uncertain climate prevailing in the country, which causes many of our people to keep their money at home or make unnecessary expenditures. Perhaps there is a lack of (?discretion) on the part of banks, which have not created conditions to encourage saving.

8. There is a lack of control over public expenses. This means that the permitted limits in accordance with our capacity are being exceeded because there is no suitable control.

9. There are no clear-cut definitions of private and government areas as well as of the mixed economy. These definitions are essential.

10. We also note that there are many political activities in work centers which seriously delay production.

11. We also want to note the deterioration of authority in work centers. There is also an administrative deterioration both in private and government areas. This is a result of class hatred campaigns which create serious friction between the affected parties and which deteriorates administrative authority in businesses.

12. There is intense harassment of sectors, including both the private sector and large and small businessmen and [word indistinct]. This does not tend to create confidence.

13. There is a lack of incentives in production and in the development of new projects that would allow new investments to decrease unemployment.

14. The government policies are not able to decrease inflation.

15. The government is unable to implement all its planned investments. In 1980 it was planned to invest 2,233 million [no currency given] in public spending and only 1.6 billion was spent.

16. Another cause is greater consumption by the Nicaragua people which domestic production cannot meet, and this has compelled our economy to cover the additional demand with imports which have increased our foreign debt.

17. Another cause is the lack of financial resources to meet the demands of industry and commerce.

18. The deterioration of the Central American Common Market has seriously affected some of our industries. We also want to note that there is financing for many projects in the country but there is a lack of constructive planning for these projects. This seriously affects the construction industry, which we believe is one of the largest creators of employment. The same goes for the metal-mechanical industries.

20. [As heard] There has been a decrease in the number of cattle as a result of indiscriminate slaughtering. Also there has been no efficient program to increase cattle herds.

This indicates that our beef exports have decreased and that the leather industry has also been affected.

21. We also want to say that there is a growing economic dependency, primarily because of an increase in petroleum prices which creates an inflationary trend in our economy.

22. The increase of military spending with regard to our population cannot be borne by our economy and is a drain on the people's economy.

23. We also want to note the low productivity rate due to mistaken government policies.

24. There is an inadequate employment policy.

25. The existence of a situation of uncertainty has created an atmosphere of misgiving among workers looking to their future.

We can mention one more thing: The lack of joint effort among the government, the private sector and the workers to forge new society.

Since the matter we are now discussing is related to the causes of the nation's economic problems and the people's socioeconomic situation, we will present specific solutions to eliminate or alleviate the previously mentioned causes when we discuss in depth the labor, social and economic situations later on in the forum. Thanks.

[Sevilla] One must point out a cause that has been ignored in the various statements of the other delegation; the Somozist inheritance has been the main cause of the country's economic difficulties which are still being strongly felt. However, we must make clarifications on each of these points. I will ask that we be given more than 5 minutes for this.

There is talk about the lack of confidence and the paralyzation of private foreign and national investments. However, the facts show that never before, either under Somozism or any other regime, have the producers obtained 100 percent financing as they now have under the revolution. It is quite a liberal treatment in the economy. Interest rates [illegible] the cost of money are lower than on the international market. The subsidies even benefit the businessmen. However, in many cases the reply to all this has been abuse and taking the foreign exchange abroad instead of using it for the purpose for which it was requested.

One has to be really critical to blame the past 2 years of revolution for a number of economic problems that have been mentioned here. For example, if we are going to discuss the fiscal deficit and the balance of payments, why don't they refer to the exact reasons why our country was forced to greatly increase imports after the victory of the revolution.

How could we have guaranteed domestic supply if we had not increased imports? You have not taken into account how the people now benefit from this. As one of the causes, you point out the increase in domestic consumption. That is right. However, there has not been an increase in production. You spoke of everything except the main way to solve the people's economic and social problems: to increase of production and productivity. You don't attribute the real causes to the problem of productivity. Only through the increase of production will the problem be solved. For example, the Nicaraguan people increased their consumption of sugar and meat. The people consume 75,000 dozen eggs daily compared to the 32,000 consumed in the past.

Where does 85 percent of the fiscal deficit stem from? Precisely from the subsidies on the services and the payment of the foreign debt inherited from Somozism. Approximately 931 million cordobas are spent to subsidize the Nicaraguan Basic Foods Enterprise [ENABAS], (INABUS) [not further identified]; the Nicaraguan Energy Institute [INE], the Nicaraguan Aqueducts and Sewers Institute [INAA], the railroad, the (PENWAL), (ENCASA). In other words, are you proposing that the subsidies for the ENABAS, (INABUS), INE, INAA be reduced? Should we reduce the subsidies on bus fares or food prices? What would happen here if we don't import corn and rice?

The prices would skyrocket as a result of the work of the price gougers. Can we stop looking after these needs of the people? How could 135,000 manzanas of cotton have been planted in 1980, compared to only 55,000 that were planted in 1979 if the producers had not been financed? Or were the producers going to finance themselves?

Urros strongly defends elements who have had their property confiscated. We would have to see who you think should be the ones to have their confiscated property returned. These are points what the forum cannot really resolve. However, it is interesting to see who you defend and why the property has been confiscated. In general, we clearly understand that the confiscated property passes to the hands of the people. If there have been cases of injustice, that is what the courts and the justice ministry are for. I understand that some cases have already been aired.

The squandering and lack of efficiency in state enterprises was also mentioned. We understand that the revoluionary forces are concerned about increasing the efficiency and productivity in the state enterprises and the People's Property Area in general. This means that this cannot be a banner raised by forces that dissent from the revolution because this is already the main concern of the revolutionary forces. The revolutionary forces are concerned about increasing efficiency and productivity. They are concerned about the reasons for insufficient productivity and efficiency: the flight of technicians and professionals and the lack of experience. You could argue that the workers are not capable of administering the enterprises. We don't agree with this. However, we don't think that experience and knowledge can be improvised or invented. The revolution has to pass through a period in which it must gradually solve these problems or efficiency and increase of productivity. Since our time is up, our delegation would like to have the right to continue clarifying this point.

[Corrales] Of course, Companero Davila has the floor.

[Davila] Once again we feel forced to reject some insinuations since Nathan Sevilla has asked who we are defending. I think we should stop this practice once and for all because similar innuendos were made this morning along the same line. Regarding the observations which I made that solutions should be made here, it is our intention in today's session to analyze the causes that have led to the present economic situation. I believe that the economic issue will eventually come up at the forum, when we will have the opportunity to discuss and submit a number of plans for solutions. This does not mean that in our analysis of causes we cannot submit some ideas for solutions.

I really think that the gist of the issue is in the plan the government is carrying out. I believe, and in this we all agree, that the problem is production. The government has redistributed earnings and this is acceptable. Unfortunately, this redistribution of earnings has placed a demand on production. If the government promotes a redistribution of earnings and raises the purchasing power of the people and consumers but does not give any incentives to production, and does not have a definite production policy or an efficient agrarian reform, then what we have is an imbalance. We definitely believe that subsidies should not be abolished, but they should be regulated. The problem is that because of the state system in which they operate, the enterprises fall out of the competitive bracket, so to speak. Because of the state intervention, the enterprises take on a deficit since they follow a state policy that is incompatible with the principles of mixed economy. This is causing serious problems to the economy. I definitely believe we are on the right path by dealing with the problem in the way we are doing because the state's policy and the plan the government is carrying out are the causes of the problem. All the analyses of the balance of payments are the result of the government's policy, which, I repeat, is based on excessive intervention, lack of a production policy, and, to conclude, a political scheme that is based on state syndicalism, which is another of the disturbing factors that are the cause of the current economic situation. These are all disturbing factors and causes that have led to our present economic situation.

[Tablada] It is evident that for the past 50 years our situation was of absolute economic dependence on U.S. imperialism. This has been one, if not the main, cause for our present economic situation. Therefore, one of the first things we should do to solve the country's economic problems is to implement the plan of the revolution for our economic independence. This can only be possible if we increase production in general. So far, it seems we do not have a clear view or idea of the damage done to our economy and which is still being done by our dependence on U.S. imperialism. I would like--and I think this is already being done--to start discussing the crucial problems of our economy so that we can denounce all the causes of the disaster which the government of the revolution faces.

We should be reaching a point where we can all start to make an analysis that is more specific and exact in describing our economic situation and the main reasons for that situation. Those aspects I mentioned before should be taken very much into consideration. On the one hand, there is the economic dependence on U.S. imperialism, and on the other, the not too honest, inconsequent and incorrect participation of private enterprise and mixed economy in the production process; these sectors have indirectly made attempts, sometimes in a veiled way, sometimes openly, against our economy's development.

[Fletes] But this is not only a matter of acknowledging mistakes because that is easy. What we want is to correct them, which is the most difficult part.

Without a doubt there has been a big increase in expenditures. There is the expense of the bureaucracy which is too big and inefficient and over which there is no central control. Of the new jobs created, 53 percent were for productive jobs, and 47 percent for unproductive jobs.

We also have very serious problems in the area of industrial development. These problems do not happen by mere chance; there is a reason. The government authorities know this. What ought to be done now is to make the necessary amendments to overcome them. There is a report that says that the country's economic structure has been altered due to an excessive increase of the tertiary (tercerios) sector. A large number of productive units in the agricultural, industrial and tertiary sectors, which are state property, are operating inefficiently and at a loss and are absorbing a considerable amount of local financing because of the government's policy. Investments have decreased due to state intervention and inefficient policies.

[Nunez] I would have liked to have listened to the companeros make better use of the information and figures they have raised here, but the way they have expressed themselves only makes it harder to reach positive solutions. But their main objective is to try to put the junta of the Government of National Reconstruction on the dock through an analysis which I consider whimisical.

In order to have economic independence, we have to eliminate all the factors that have contributed to our underdevelopment and the merciless exploitation that handed our country's wealth to U.S. imperialism.

I think that the companeros must try and make an effort to see things differently, so that afterwards they can make proposals for solutions. We all agree that in order to solve the country's problems and to carry out the changes the people need, we have to be in control of the situation, we must take drastic measures against any attempt to harm the nation's economy, and we must implement effective measures in the case of the idle lands, including those whose owners are not using them to meet a social need or to produce. We should definitely do something in this respect to try and help our economy and to solve the people's needs. Speaking of defense, this has to be the defense of our economy and the people. This we believe will take perhaps 1, 2, 3 or 4 years. The idea is to rid the country of its external dependence. This is our main objective and if this is what we want, we must face things properly.

[Potoy] Although we have inherited most of the problems, there is a time when we must start assuming the responsibility for what is occurring now. I am not saying this applies to everything, but for some things. The main effort should be to lift the country's economy--the reactivation about which so much has been said but was not started because we are in poor shape. We have talked of importing staples--the rice, beans and goods consumed every day in all Nicaraguan homes. We have this situation because private enterprise has not received any incentives.

It is necessary to build up the people's desire to produce. This is the only way to raise our economy--the effort of all working Nicaraguans. We have often misinterpreted the mission of the revolution, which we think is going to give things away. It is not so. I think it is important to bear in mind that only work and production can relieve us a little from economic dependence. When the people's initiative is not allowed or encouraged to develop, people feel they are in a closed circle in which they cannot develop nor produce. People like to make some profit so that they can save for the future and the year's expenses. However, when they sell their products in ENABAS or in other centers controlled by the state, they realize that what they thought would be their profit dropped to the ground and that what they have is a loss.

It is important to bear in mind that we cannot abide by the government's economic policy just like that. Changing the government's economic policy would create a very delicate situation. It would be very dangerous and harmful for the country if in 5, 10, 15 or 20 years we were still blaming the past and depending on the revolution and hoping that some day we would have a positive change.

Much has been said about the new man of our country. The problem I see is that our children are used for many things that only adults should be doing. This we must take into consideration that for this country to develop economically it must have sources of finance and we must think of where we can get them. It is important that we bear this in mind.

[Gutierrez] It is definitely hard to choose where to start. The number of arguments used against the revolutionary process and its development are really depressing. At one point someone said that our problem is our indebtness, which must be restricted, and Potoy says that we must seek sources of finance abroad. I cannot understand a series of arguments which contradict one another. Nathan said something interesting: That facilities and prerogatives have been given to big businessmen in this country, their investments have been financed 100 percent, they have been granted credit at an interest rate lower than those established by international banks.

No one from the revolutionary sector here has claimed we are in paradise or that everything is perfect. There are limitations and difficulties. But Urros points out defects without saying that they are part of the historical backwardness that we are trying to overcome. He does not say that we are trying to improve the work of the workers in the factories and the organization of labor unions as a tool for increased participation by the workers. The revolutionary forces are interested in solving problems with more efficient administration and better and more rational utilization of public funds. These are the tasks of the revolutionaries.

In addition to pointing out these defects, to questioning the rank and file of the revolutionary process, he openly defends capitalist and monopolistic exploitation and dependence on imperialism. He talks about creating a climate of greater confidence. What do businessmen in this country want? To be given the government? Do they want us to openly surrender to imperialism and dismantle the popular defense apparatus of the revolution?

Imperialism has attacked and sacked this country. It continues creating obstacles and exerting pressure against the economic and social development of this country. Efforts have been made to boycott efforts to establish new economic relations for greater development and more economic independence. Wheat had been suspended. Other forms of aid have also been suspended. Why didn't he speak about that pressure?

[Fletes] I believe that we have been flexible and have agreed with you on some of the positions established throughout the discussions. However, we have not noticed any flexibility on your part regarding the arguments we have presented. We have made some evaluations and have noticed that we are the ones who have been flexible in trying to find solutions to the problems that are being presented. The other side, however, those who support the front, admits small things but persists in the same errors. Things cannot march well this way, because errors are mounting up. We believe that errors that mount up have negative effects on the people of Nicaragua and, since we are interested in correcting errors to benefit the people of Nicaragua, we criticize situations that you, in your hearts, admit but that you, of course, cannot admit here in these talks. But I am sure that at heart our criticism is being accepted.

The workers--the revolution has opened great hopes that have not been satisfied--would like salary increases, and there are no salary increases. They would like to increase the family income level. And these are problems. Sometimes it is said that the income situation is solved by social benefits. But this also presents problems and we could be very critical about this. Look at the problems in housing and health, for example.

The way to solve these problems is only through a climate of national coexistence, as Commander Bayardo Arce stated during the first preparatory meeting. We must work fast on the objective of creating a climate of national coexistence, because each month that goes by is a month working against the interests of the people. My question is: How can we create the necessary climate so that workers and businessmen--state and private employees and state and private businessmen--can break economic dependence and improve the standard of living of the workers.

[Coronado] Apparently the companeros from the other side are speaking on the basis of an unreal situation. They are speaking as if the revolution had already ended. Fletes said there is an economic reconstruction phase and another phase to restructure our mental attitudes to give room to the various political ideologies that could be present as of 1985.

Logically during that first phase of 5 years we would try to destroy an entire political structure created 150 years ago. This revolution has to bear with this until it can get rid of it and to the extent that all good sons of Nicaragua and all the political and economic sectors cooperate to alleviate this infamous burden, the revolution will move forward more speedily. But as long as there are groups that try to increase that burden and try to put obstacles in the way and while there are foreign forces that promote these obstacles, the people's well-being will also be affected.

We know that big errors have been committed in the agrarian policy, but these have been the result of the change in the forces of production. The Nicaraguan technicians, the engineers, the agronomists and the professionals are needed in this field to work in all our agrarian structures so that production will increase. When technicians leave the country, not accepting this historic challenge, it benefits the reactionaries and harms the people.

We know that internationally there are efforts to destabilize our process. The worst thing that a good Nicaraguan can do is to encourage that destabilization. This means to look to the past, to think that we should maintain that agroexporting economy that began in the 1850's with coffee and later with cotton. That is an economy that would halt our own efforts toward an independent economy. If we stop thinking of that structure of economic dependence and start to create a structure that will respond to our own interests as Nicaraguans and Latin Americans, using those universal theories that can be applied to our revolution, then we will be responding to the challenge of history.

[Davila] We should begin our discussion on the basis of the fact that we are an underdeveloped and poor country. We should begin on the premise that we need investments that will help produce wealth to satisfy the people's needs. This investment can be of two types: domestic and foreign. We have seen that foreign investment is not coming in sufficient volume. Sometimes it is argued that there is not a good climate for investment due to the image of the revolution. In short, foreign investment is not coming in.

Let us look at domestic investment. There are not sufficient levels of domestic investment for two reasons. First of all because domestic investment can be made by the state or by private enterprise. In the case of private enterprise, the atmosphere of uncertainty felt by this sector prevents it from investing at the levels that the country needs.

Savings are a source of investment. We also have two possibilities in this area, either domestic or foreign. Domestically, we find that the state is not saving. We have seen how it always spends more than it planned. It does not save. The Nicaraguan people do not save either. This is because most of them have just enough to eat and the little that they save is a forced savings because there is nothing to buy. The businessmen don't save either due to the aforementioned reasons. Therefore, the only other possibility lies in foreign savings. We find that this can come from three sources. Savings can come from other countries through a bilateral contract, from the international system of capital or from multilateral organizations.

What do we have to do? We have to increase the production of wealth. We have to increase the people's income. We have to increase the people's well-being. We have to find initiative to produce. We have to have relationships with foreign countries to obtain resources. These relationships should clearly seek to obtain technical assistance. I think the key to our independence lies in the wealth that we Nicaraguans are going to produce. However, the government is not carrying out a policy that will make us independent. The government says we are economically independent just because the North Americans are not lending us much money. This is misleading. We can become dependent on other places.

In concluding, I must state that that the concept of planning is important. There is no planning by sectors here. There is no regional planning here. So what happens? There is no development of the concept of planning based on the fact that our resources are large ad that we can have 2.5 million Nicaraguans with sufficient income and jobs. We can have a good production poiicy to permit us to increase export levels.

[Altamirano] Although the revolution found the coffers absolutely empty, the government has made great efforts to help private enterprise. We want the people to know this. Anyone who says otherwise is lying. Enough has been said to prove what we have said. We all know of the efforts that have been made to obtain financing abroad, mainly to help private enterprise in Nicaragua. The government has made a big mistake in trying to help private enterprise because it has not responded to the government's good will. Despite these large efforts, capital has been drained from the country. But not only this, the financing given to private enterprise has been improperly incompetently and dishonestly used. Not long ago, Commander Wheelock charged that the dollars used to finance private enterprise were disappearing and had been sent abroad in a criminal manner. I would like to give a piece of advice to our government. You cannot put the cat in charge of watching the milk. In our country we have too many cats taking care of the people's and state's milk. [Laughter]

[Urros] I wish to refer to some of the statements made by several members of the delegation supporting the leadership of the revolution. First I am going to refer to what Commander Nunez said. We are not taking a passive attitude toward what we inherited from Somozism. On the contrary, we are trying to do something about it. We are not, however, going to do things which increase our economy's plight. Instead we want to do things to stop our economy from deteriorating. This is what we want when we stress some issues. Contrary to what Commander Nunez said, I do not think that our analysis is whimsical. Our analysis is the result of a scientific study of reality, based on our own documents and on documents from the junta of the Government of National Reconstruction. We agree with Commander Nunez that we must take measures to find solutions. However, I must say if these measures are not realistic and unless they are pluralistic and not taken unilaterally, it is not going to be easy to get rid of our economic dependence.

With regard to my friend Alejandro Gutierrez' comment on what Potoy said referring to contradictions, I think that he was looking at things through a crystal ball, what size we do not know.

In regard to the atmosphere of confidence, Gutierrez questioned our intentions as to whether or not we wanted the government to turn over power to private enterprise. We did not say anything like that. What we want is to increase production and for the people themselves to decide their future. We want the people's will to prevail through the pluralism we are advocating. Gutierrez also noted that we had not mentioned the word imperialism in our document. Many have been the occasions, and we are not going to stop now, when we condemned imperialism whatever its source, whether from the United States, the USSR or China. He accused us of systematically attacking the revolution and Eli says we attack communism also. We are not attacking the revolution. We are pointing out its mistakes and deviations, because we want a truly Nicaraguan revolution, genuinely democratic, popular and anti-imperialist. I also want to refer to Eli's statement on paying interest on the debts we inherited from Somozism. It is true we are, but I want to remind you that we have been receiving short-term loans on which we will soon have to start paying interest. That is all I have to say.

[Nunez] We must recognize that our delegation has made an important contribution in their presentation in which they made a great effort to try to identify the internal causes.

We also have to recognize that in our presentation we pointed out the real causes of the situation and the results. We know there is a shortage of raw material. We all agree there is. We know that there is an inadequate use of income. But these things we have pointed out here. We know they exist--such as a lack of savings, lack of a clear policy regarding private enterprise and mixed economy and the people's participation. All this we consider a problem because of the changes the revolution has promoted. Another problem is the stagnation of the common market. We know this. But let us differentiate between the causes and the results.

In a few words, measures of all kinds must be taken. Otherwise, when a number of unclear comments are made on each of those aspects, a feeling remains that there is definitely an attitude of: well, let's strip the revolution; let's strip the revolution of its structure so that we can point at it and say that it is inoperable.

The truth is that one has to be...[changes thought] we don't believe, as it is being claimed, that by achieving a certain atmosphere--which you people say would be achieved by fulfilling these aspirations--everything will go full speed ahead here.

We don't believe that, and I can tell you this right away. You people don't control imperialism, you don't control peace, or at least because you say [words indistinct] a decisive influence, so that in a number of problems that crop up all over the country, there is the capability of intervening there firmly and in a determined manner (?and eliminating them. We might think so, but the truth is that they can't [scattered laughter] do anything.

Therefore, I propose, companero moderator, that we start making an effort to locate the internal cause, acknowledging that we are making a contribution here and that this contribution consists of the effort to locate the internal causes also.

I suggest that we end our discussions on this subject and that we start summing up things to see how it can be done. Let's try to identify these causes in such a way that we will also get positive results from all of this talk.

The companeros of the opposition have already said that this is an analysis of the country and of the revolution which they say is also theirs. Isn't that so? Well, then, let them locate the internal causes from their position as political parties to truly strengthen the revolutionary process with varied and objective measures.

[Fletes] My question is: Can we carry out the proposals that have been brought up here? Can we achieve them not for the benefit of the democratic sector but for the entire country because in truth all of this affects all the Nicaraguan people. It seems to me that in the latest statements of Commander Nunez and Edgard, there finally seems to be the prospect of a solution of this nature.

I think I found in Commander Carlos Nunez's statement the possibility that the entire country can participate in that process of economic and social reconstruction. We have been participating but not at the levels required by the needs of the country due to a number of obstacles that have emerged in the development of this process. These obstacles have undoubtedly caused many sectors to withdraw due to the atmosphere of uncertainty and mistrust. These aren't the sectors that have money because they have already left or are living on credit. The problem of uncertainty affects the Nicaraguan people, most of whom are not of the middle class but are really poor. The poor also suffer from uncertainty. They want an atmosphere of security and stability for the next few years and for the future. Therefore, it is a matter of creating a favorable perspective for the entire nation.

[Tablada] I have noticed the following. Urros was referring to the inheritance of Somozism and what he did was to list a number of administrative mistakes. We give great importance to the economic relations between the United States and our country during all this time, which we describe as imperialist, as a factor in the exploitation and deterioration of our economy, the looting of our natural resources and so forth. I would like a clarification. Are they including this aspect in what they describe as the Somozist inheritance? We would have to see this. Although it is true that we agree that the Somozist inheritance has had a negative influence on our country's economic situation, we believe that imperialism is mainly to blame for everything.

[Corrales] (?Fletes) has the floor for the clarification.

[?Fletes] Tablada's question is an interesting one. I am concerned about this. The country's problems have been accumulating, perhaps ever since Columbus came. These are the problems of underdevelopment. It cannot be denied that the Somozist dictatorial regime subjected Nicaragua's resources and economy to U.S. policy. It is no problem for us to point this out. We can quickly clear up Tablada's doubt by stating that yes, Somoza's regime sold out to U.S. imperialism and we don't want this regime to sell out to anyone.

[Nunez] I merely wish to insist on two things. I think that questions are important to a certain extent and it also should be recorded that this delegation is nourished by and would like to understand each of the positions of the parties.

These are the two things: When questions are asked regarding whether imperialism is directly aware of the heritage of Somozism--of what Somozism was--I think that we need not beat around the bush. The truth is clear, realities are clear, although many times they hurt. They cause indignation or they cause reactions that are much stronger than the reactions they cause among the people. I think that sometimes options are outlined [changes thought]....No, yes but no...at certain moments, there seems to be a lack of decision, because to this effect...because we ourselves are not going to acknowledge that we were involved in a direct incident here and that we spoke of the sins that were committed. Sins were committed, so then we mentioned persons who committed sins.

The positions regarding political issues that have existed or have been outlined by any party in particular or each delegation in particular with regard to the future of the revolution are a very different thing.

It shocks you or causes fear when there is mention of the Soviet Union, for example. These are positions or viewpoints that we will be debating.

But here we have not come to speak of them. You may do so, if you deem them of interest, as you may deem it wise to hide them or not to take them into consideration. There have been a number of expamples which we really have not had anywhere else. Even in the case of the revolution, we have obtained much more reaction from the Latin American camp, or the Europeans and the socialists than from the powers--the powers that are involved in the world balance of forces.

Who [words indistinct]. They were west European Countries and [word indistinct] European countries. And are we not going to recognize this?

Then in this sense, I believe...what I mean is that we must (?receive) it. Why are we going to ignore the facts?

Besides, in the question Alejandro asked, because I also believe that when the fundamental statute is seen, the government program, the [words indistinct] statute. We are in effect very concerned with the revolution and the economic and social regime that can be developed. We must bear in mind the prospects for the present and the prospects for the future. This is where the dynamics must be introduced, so that no obstacles will be put in the way of the (?goals) of national reconstruction.

We, for example, are of the belief that if a true obstacle existed that would obstruct the transformations included in the government program or in the fundamental statute, the rights and guarantees statute--and we really want to assure the people of this--then this would be revised. It should be revised.

If it is necessary to take measures which, for example, are not contemplated here but which we consider just for the country, for the people, they must be studied, without distrust, without suspicion.

Therefore, I believe an effort should be made to say...if (?others) are mistaken, all right then, it is a mistake, and we should not digress.

[Sacasa] Corrales, as you said, the time is ending for the work sessions during this weekend under your magnificent and patriotic moderation. When the FSLN during the later part of March wisely proposed these dialogues to all the delegations sitting on this side, we all agreed to it with the honest intention of carrying out this effort which we believed and continue to believe is sincere, and with the desire to contribute our modest bit to the best solution of the country's problems.

During the two weekends we have been holding discussions with the valuable attention of the Nicaraguan people, we have noted, however, that the forum which was organized for the purpose of discussing national problems, in one way or another has frequently not served these purposes in spite of the specific efforts, sincerely made by the revolutionary groups of the plains [de la llanura--presumably the opposition groups].

For example, I still recall that we talked about the Nicaraguan revolution and we tried to define it by saying it was democratic, pluralist and so forth. But just in explaining the significance of the term democratic, we found ourselves in difficulties. We got involved in discussions due to the resistence shown by the government bloc in accepting, as one of the foundations and characteristics of democracy, the holding of free and impartial elections for consulting the people who, as basic part of democracy, have a right to express their will in these elections. After two weekends, we have not succeeded in having this fundamental concept of democracy, since it exists in the world, accepted. Rather, we have (Eli Almirano) proclaiming, from the viewpoint of his opinion, which I fully respect, with all due reason, that Marxist-Leninism was the maximum expression of democracy.

My only fear lies in that, by closing the doors to the possibility of elections which, as somebody on the government bloc said, could be awaited in all that is left of the century, and in closing the doors to elections, we are unwittingly opening them to the position of those who think that it is not through elections that the government of the republic is going to be changed. Thus, without intending it, this would be encouraging the position of those who, from outside the nation, according to the official media, are upholding the position that it is through arms that they want to change the government of the republic.

Of course this attitude, which justifies the posture of those who, mainly from outside the nation according to reports in the official media, are upholding that it is through arms that the problem must be decided, preoccuppies those inside this country who have the best intentions, those who support the revolution and are involved in working honestly and sincerely in solving the national problems and the reconstruction of the nation.

In addition, we also observed in the government delegation a constant tendency, which has certain repercussions outside the forum, of saying that we delegates of the democratic blocs are attacking the army here. You can be the first to testify to the fact that it is false, whimsical and ill-intended, because at no moment have the democratic groups of the plains bloc had a single word of criticism for the army, which it rather recognizes for its participation in the struggle for liberation.

This was an attempt to manipulate the army against us, and this attitude worries us, more so when within the elements which the government bloc presented in its concept of democracy, it included very emphatically that of repression, as though there was an attempt to assign the army the duty of repressing our own activities--activities which we are trying to frame within the dispositions and the laws of the republic.

We came to the forum to discuss national problems, that is, the present situation, with the intention of correcting whatever deficiencies there are, not to criticize. But we do have the desire, the intention, that the existing deficiencies should be corrected so that, through these corrections, we will get the revolution, whose course interests us all, to develop to the satisfaction of all Nicaraguans. We did not come here to judge the situation during the dictatorship, a situation which the people of Nicaragua judged and condemned when they decided to end it on 19 July 1979.

But if instead of examing the problems and facts of the present situation we discuss other issues and become involved in doctrinary debates, the only thing we are achieving is diverting the goal of this forum.

In addition, we speak of pluralism, and when we speak of pluralism, we point out the difficulties found in the path of pluralism in its practice, which does not consist of merely consenting to develop in freedom. When we must point out that we are being denied the reality of our assertions, when we must recall the sorrowful events, for example, the Nandaime rally that was blocked although it was just a properly authorized political activity of one of the parties that occupies a meritorious seat on our bloc, we are told other things. When Donald Castillo, for example, who on this bloc represents the interests of the workers better than any of the members of the other groups because he is an authentic representative of the Nicaraguan Workers Federation; when, I repeat Donald Castillo points out the difficulties found in daily life in the development of labor pluralism, which is the effective respect and true guarantee for the exercising of the activities of the union he represents, he was even told that he is not properly placed among us, as though a man's ideas depended on the seat he is occupying.

I have wanted, Mr Moderator, to make these statements because I fear we are putting more responsibility on your shoulders than you should have. Frequently, I hear people say that the moderator is going to point out agreements. I do not see how you can point out agreements where agreement does not exist, Mr Moderator. You cannot perform miracle of of transforming black into white. My observation, my appreciation, rather than with antagonistic ends, is intended to make observations which will help to direct the responsibility we have placed on your shoulders.

For example, Mr Moderator, it is surprising that at the opening of the exposition of the government bloc regarding the revolutionary project, the representation of the exposition was put into the hands of the person who represents--and magnificently done, at that--a group that did not participate in the drafting of the revolutionary project, that was not recognized as existent by the revolution, one which actually appeared after the revolution, criticizing it in such a way that the government had to order the closing down of the newspaper EL PUEBLO--a closing which we criticized and continue to criticize because it was in EL PUEBLO that this group proclaimed its tendencies.

[Corrales] In the first place, I would like to thank Dr Sacasa for his opinion of me and, on the day the forum opened in my opening remarks I expressed thanks for the trust both delegations put into my hands, and I assumed the responsibility to serve the nation better, within my modest abilities, and to respond to the confidence which, as I have already said, both delegations have expressed in me. I understand the high degree of responsibility conferred upon me. A moderator cannot change white into black.

But fortunately, the results of the initial talks were put into a document pointing out the mechanics and operations of this forum, which has saved me, as moderator, from a potentially difficult situation.

Thus, following the already established mechanism, this humble moderator will do his part and will present to you what, in his modest opinion could be a draft of points of agreement, which I will put later into your hands so that during the Thursday meetings, outside of all this modern technology and in private, they can be discussed, not for fear they will be divulged to the Nicaraguan people but so that the statements made there will sometimes express the minimal points of agreement which have not been achieved sometimes in this debate.

[Nunez] I would like to know if Dr Sacasa's statement reflects a personal view or if it relects opinions and positions held by his organization, the organization he represents. I deeply deplore the fact that Dr Sacasa has not participated in the discussion all along because his views, whether correct or mistaken, could somehow help provide elements to be judged by each of the delegations. Perhaps (?his serious doubts) or concerns over the course of this forum for the discussion of the national problems might influence the various delegations, precisely so they could gradually guarantee a normal development and grasp a number of realities. We have insisted on the need to be sufficiently objective in understanding the country's problems. We have insisted that the presence of each of the delegations in this forum for the discussion of the national problems should be understood as a sincere effort by each of them to discuss a number of problems which include political, and ideological positions, positions connected with the economy and the course and future of the revolution and where sufficient flexibility should exist to find points of agreement. I do believe, Dr Sacasa, that although differences exist, there are points of agreement also.

I think that in the past there were also serious differences about how to seize power. However, at one point or another minimal points had to be discussed in order to reach the desired goal of overthrowing the dictatorship and this was the fundamental basis for the overthrow of the dictatorship. We are not going to say there were no differences at the time. There were even several alternatives and projects.

If one several occasions we have had to insist were that we have not come to sit in judgment of the accused, and if at times we have strongly rejected a number of exaggerations, while on other occasions we (?have not) acted violently, the FSLN (?has done this) in order to gradually find a path that might make possible a more profound discussion of all aspects so those minimal points of agreement can be reached.

Allow me to tell you that throughout the forum a number of positions have been discussed and a number of opinions have been aired. You , for instance, recognize that the FSLN is the vanguard in this country. Companero Dr Castillo said--although I am not sure whether his statement was correct or is recorded in the documents--that the CUS withdrew because there had been talk that the FSLN was the vanguard. But whether or not some organization wants to recognize it, real and objective facts exist. Efforts have been made here to present the FSLN here as a military organization. The FSLN will go down in the history of the revolution as the organization that placed itself at the head of this country's entire political and military movement and led all the forces in overthrowing the dictatorship. This is a different matter altogether from the differences that might exist between the FSLN and the various forces. The FSLN guarantees here--and we have said this repeatedly--that there is a period of national reconstruction and the day [words indistinct] turn around if this revolution fails, (?they will point to) the FSLN, not at any other organization, at the Sandinist front and the parties that regard ourselves as the fundamental forces of the revolution.

However we are not going to discuss this. Facts and practices prove things. We are not going to engage in that type of discussion. There may be differences. The MDN may say one thing, the Social Christian Party another, the Social Democratic Party another, the Constitutionalist Liberal Movement yet another. So we already know we will not reach an agreement there. Why deceive ourselves? So I insist that those observations have seemed to be out of place because, in my view, there have been points of agreement as well as a recognition of the fact that profound differences also exist.

Another aspect that I would like to point out is the fact that the revolution is dynamic and that, furthermore, seeking the division of this delegation should not be the line of argument or guideline followed here. The effort will not succeed even if they resort to political incidents and to [exploiting] the existing differences among the organizations which make up this delegation. If there is something that unites us, however, it is the continuity of the revolution, the revolutionary changes and the defense of this revolution under any circumstances or under any conditions. It has to be defended.

Perhaps if we [words indistinct] we will have differences with you in all those aspects, but in anycircumstance, in any terrain, under any condition, and whether in times of peace or in times of war you will find this delegation on the side of the people's interests and of the defence of the revolution, in spite of those differences, just as the patriotic front of the revolution was organized in the past.

It should be clear that we are not trying to respond to polemics with more polemics. We are not trying to respond to allusions with another type of positive allusions. Regarding this, I would suggest that we consider this closed, otherwise, (?we must state whether) each explanation and counterexplanation will be followed by a right to rebut.

FORMER SOMOZIST GUARDSMEN ATTACK FROM HONDURAS

PA261950 Paris AFP in Spanish 1756 GMT 25 Jun 81

[Text] Managua, 25 Jun (AFP)--Nicaragua will send a new protest note to the Honduran Government following the recent attacks by former Somozist guardsmen who are based in Honduran territory, Victor Tinoco, deputy foreign minister, stated last night.

Tinoco expressed his serious concern over "the deteriorated situation" on the Honduran border, noting that he had telephoned Honduran Foreign Minister Cesar Elvir Sierra to advise him of his concern to the effect. The official affirmed that 15 Nicaraguans had been killed by bands of former Somozist guardsmen in the past few days.

"Such attacks," he remarked, "hinder the negotiations of Guasaule located on the "Honduran-Nicaraguan border where 2 months ago Honduran President Policarpo Paz and Daniel Ortega, coordinator of the Nicaraguan junta, held several talks in an attempt to iron out difficulties between the two countries."

Antonie Lanca, representative of French President Francois Mitterand, at the third meeting of the International Committee for the Defense of the Nicaraguan Revolution, noted that the attack against the village of Panama demonstrated and confirmed "that an offensive is being organized from abroad against the Sandinist people's revolution."

D'Escoto Sends Protest Note

PA272024 Havana International Service in Spanish 1600 GMT 27 Jun 81

[Text] Nicaraguan Foreign Minister Miguel d'Escoto has sent a protest note to the government of Honduras because of the continuous attacks being carried out by Somozist guardsmen from Honduran territory. The document condemns the killing nearthe border of seven persons, including a 5-month-old girl, on 23 June by a band that withdrew to Honduras.

At a news conference held in Managua, d'Escoto said that the suspension of the meeting scheduled to take place between the defense ministers of Honduras and Nicaragua, Col Mario Flores and Commander Humberto Ortega, respectively, is a source of great concern and danger. The meetings was to take place on 4 June. The Nicaraguan foreign minister said that the presence of more than 3,000 Somozist national guardsmen in Honduran territory and the evident tolerance of Honduran Army elements for this situation has been rejected by all the world.

## SOCIALIST INTERNATIONAL LEADERS MEET IN MANAGUA

### For Defense of the Revolution

PA232023 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Jun 81

[Text] We are only 3 days away from the day when a delegation of the International Committee for the Defense of the Sandinist People's Revolution meets in Managua with the political committee of the Sandinist National Liberation Front [FSLN]. Felipe Gonzalez, secretary general of the Spanish Socialist Workers' Party, heads the delegation.

The International Committee for Defense of the Sandinist People's Revolution was formed on the basis of a decision by the 15th Socialist International congress.

This will be the first time the committtee has met in Managua. Because of prior commitments, some distinguished committee members will not be able to attend the meeting in Managua. Some of these persons are: The president of France, Austrian Chancellor Bruno Kriesky and Willy Brandt, chairman of the Socialist International.

### Leaders Arrive 24 June

PA261357 Managua Radio Sandino in Spanish 1800 GMT 25 Jun 81

[Text] Felipe Gonzalez, president of the Socialist International Committee for the Defense of the Sandinist People's Revolution, and former Venezuelan president Carlos Andres Perez reasserted their confidence in the Nicaraguan democratic process when they arrived yesterday at Sandino Airport.

The two political leaders agreed that the Nicaraguan revolution is an example for the world and that it has enemies and must be defended. Felipe Conzalez, secretary general of the Spanish Socialist Workers Party, when questioned by newsmen at the airport, said that he hoped that the meeting of the committee would produce positive results for Nicaragua since the committee has international responsibilities due to its special democratic characteristics.

Former Venezuelan president Carlos Andres Perez, who is a supporter and defender of the Sandinist revolution, told newsmen that he arrived in Nicaragua with the same confidence and enthusiasm that he had when he arrrived on the first anniversary of the revolution on 19 July 1980.

Other Socialist International leaders arrived yesterday, including Berndt Carlsson, secretary general of the Socialist International. The Socialist leaders will hold the first meeting of the Committee for the Defense of the Sandinist People's Revolution which was created in November 1980 in Madrid, Spain.

### Meeting with State Council

PA252229 Managua International Service in Spanish 0030 GMT 25 Jun 81

[Text] A delegation of the International Committee for the Defense of the Sandinist People's Revolution today visited the Nicaraguan State Council. The delegation, which arrived in Nicaragua yesterday, is led by Antonio Blanc, personal envoy of French President Francois Mitterrand and made up of other officials who are members of the International Committee for the Defense of the Sandinist People's Revolution and the Socialist International.

The members of the committee along with Felipe Gonzalez, president of the Spanish Socialist Workers Party who arrived in Managua today, will meet tomorrow with commander of the Revolution Bayardo Arce, coordinator of the political committee of the Sandinist National Liberation Front, to learn about the achievements of the Nicaraguan revolution.

Bernt Carlsson, secretary general of the Socialist International and member of the International Committee for the Defense of the Sandinist People's Revolution, spoke to the plenum of the Nicaraguan State Council:

[Begin recording--in English, with paragraph by paragraph translation into Spanish] Our first thought is to try to protect the revolution of Nicaragua from external assault. The Socialist International is of the opinion that the fate of the Nicaraguan people is something that must be decided by the Nicaraguan people. This means that the State Council and the other political forces of Nicaragua must be able to work without external threats, without border incidents, without camps of ex-Somozists set up in Florida to prepare for counterrevolutionary attacks.

We strongly support the foreign policy adopted by Nicaragua aimed at respect for national sovereignty. Our support for the Nicaraguan revolution does not mean interference in your internal policies. We consider that we have fulfilled our tasks when politics in Nicaragua can be decided in a situation of international tranquility and when the political forces in Nicaragua can themselves decide on the future of this nation on the basis of respect for the principles of freedom of speech and freedom of assembly. But when we come here we also do this in the awareness of the more than 50 years of terror which your nation suffered under the Somoza dictatorship. We are aware of the fact that most parts of the world during those 50 years did not express much interest in the situation of democracy and human rights in Nicaragua. [end recording]

## Socialist Umbrella Pledged

PA261738 Managua Radio Sandino in Spanish 0300 GMT 26 Jun 81

[Text] Felipe Gonzalez, Spanish Socialist Leader, said today that the Socialist International will act as an umbrella to defend the originality of the International Committee for the Defense of the Sandinist People's Revolution.

Gonzalez acted as the spokesman of the committee members who today met with the Nicaraguan National Reconstruction Government junta at the Government House in Managua. The Spanish Socialist leader compared the international campaign against the Nicaraguan revolution to a hailstorm. We are going to act as an umbrella which protects against the hail that sometimes falls, Gonzalez said to Commander Daniel Ortega Saavedra and Sergio Ramirez. The members of the Government junta received a report on the results of the sessions of the committee which met in Managua for the first time.

Gonzalez said that the Socialist International also expressed disagreement with the current U.S. administration's policy of not recognizing Nicaragua's right to self-determination. He described this as a mistake. He pointed out that the Socialist International will continue to be an independent force that will not submit to the divisionist policy of the superpowers in their spheres of influence.

On behalf of the socialist and social democratic delegates of Latin America and Europe, he said that the Nicaraguan process will be defended by the parties which make up the Socialist International and the parties that have influence in specific governments. He explained that this defense will be undertaken to prevent a stupid revolution. Gonzalez added that the Socialist International rebels against that hegemonic desire that harms the self-determination of peoples and an admirable project like that of Nicaragua which seeks to decide its own destiny.

Commander Daniel Orteta stressed that the solidarity that Nicaragua receives strengthens the Nicaraguan revolution's decision to continue to promote the process of social, political and economic changes in the country. The Sandinist leader reiterated that the Nicaraguan process is based on a mixed economy, pluralism, self-determination and the defense of sovereignty.

The meeting of the International Committee for the Defense of the Sandinist People's Revolution was attended by several leaders of the Salvadoran opposition, including Guillermo Ungo, secretary general of the Revolutionary Democratic Front, and by politicians of Latin America and Europe.

## Mitterrand Envoy Scores U.S.

PA282231 Havana International Service in Spanish 1800 GMT 28 Jun 81

[Text] (Antoine Blanche), personal representative of French President Francois Mitterrand, said in Managua that the United States is using the same methods of economic blockade against Nicaragua as it used against Cuba.

(Blanche), who participated in Managua in the Socialist International Committee for the Defense of the Sandinist People's Revolution in Nicaragua, said that the regime of Francois Mitterrand has not been intimidated by U.S. Government pressures and that the European Communist and Socialist Parties have issued a joint statement emphasizing their solidarity with the peoples of El Salvador and Nicaragua.

## MDN Application Rejected

PA281559 Managua International Service in Spanish 0300 GMT 28 Jun 81

[Text] The Socialist International has rejected an application for admission submitted by the Nicaraguan Democratic Movement, MDN, Maarten Van Traa, a member of the International Committee for the Defense of the Sandinist People's Revolution, has reported in Managua.

Van Traa, a representative of the Labor Party of the Netherlands, participated in the working meeting of the Socialist International held in this capital to discuss and evaluate the development of the Nicaraguan process at this point, 2 years after the people's triumph on 19 July.

Asked about the applications for admission to the Socialist International submitted recently by two parties that oppose the revolutionary leadership--the MDN and the Social Democratic Party, PSD--Van Traa said the organization may maintain some type of contact with the PSD. The Netherlands leader reaffirmed the Socialist International's unconditional support for the Sandinist National Liberation Front [FSLN] and its recognition of the FSLN as the sole vanguard of the Nicaraguan people. He also noted that everything possible will be done in Nicaragua to put a halt to acts of aggression by the U.S. Government in the Central American area.

We will continue to support the FSLN despite the application submitted by the MDN, which is led by Alfonso Robelo, to become a member of the Socialist International. This application, Van Traa said, has been rejected because it is easier to claim to be a social democrat than to actually be one.

## BRIEFS

AMBASSADOR TO ZIMBABWE--The Nicaraguan Government has announced the appointment of David McClean Richards as ambassador to Zimbabwe. [Managua Radio Corporacion in Spanish 2300 GMT 23 Jun 81 PA]

MINISTRY MEDIA DIRECTOR--Companera Michelle (Aajlis) has been appointed director of communications media of the Interior Ministry. She had previously been director of immigration. [Managua Radio Sandino in Spanish 0300 GMT 26 Jun 81 PA]

CZECHOSLOVAK DONATION--At a ceremony held at the Czechoslovak Embassy, Czechoslovak Ambassador Frantisek Koutecky delivered to Commander Jose Valdivia, director of the National Communications and Postal Directorate [TELCOR], 2,000 telephones and 600 KM of cable. [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 26 Jun 81 PA]

## MEXICAN ECONOMIC DELEGATION ON OFFICIAL VISIT

### Arrives at Rancho Boyeros

FL241510 Havana Domestic Service in Spanish 1400 GMT 24 Jun 81

[Text] Miguel de la Madrid Hurtado, programming and budget secretary of the United Mexican States, arrived in this country yesterday for a short official visit, invited by the Cuban Government. He was accompanied by his wife (Delia Margarita Cordero de la Madrid). Other members of the delegation are Jose Ramon Lopez Portillo, deputy secretary of evaluation; and Francisco Labastida Ochoa, deputy secretary of programming. De la Madrid is also accompanied by a number of high-ranking officials from the Programming and Budget Secretariat and from other Mexican economic organizations.

De la Madrid arrived in Cuba last night on a special Cubana de Aviacion flight, accompanied by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, who had gone to Mexico yesterday morning.

At the Rancho Boyeros airport, De la Madrid was received by Humberto Perez, vice president of the Council of Ministers and president of the Central Planning Board; Hector Rodriguez Llompart, minister president of the State Committee for Economic Cooperation; and Foreign Trade Minister Ricardo Cabrizas; as well as other high-ranking Cuban officials.

Gonzalo Martinez Corbala and Fernando Lopez Muino, Mexican ambassador to Cuba and Cuban ambassador to Mexico, respectively, accompanied the delegation in its trip to this capital.

### Talks Begin

FL242105 Havana Domestic Service in Spanish 2014 GMT 24 Jun 81

[Text] Mexican Programming and Budget Secretary Miguel de la Madrid Hurtado has been received at the office of the Central Planning Board [JUCEPLAN] by Humberto Perez, alternate Politburo member and vice president of the Council of Ministers. During the meeting, which took place in a fraternal atmosphere typical of the relations between the two countries, topics were discussed concerning technical cooperation and the exchange of planning experience. As a result of the talks, an agreement will be signed between the Mexican Programming and Budget Secretariat and JUCEPLAN.

The high-ranking Mexican official arrived in this country at the head of a delegation from his country's Programming and Budget Secretariat, invited by the Cuban Government. De la Madrid traveled with Carlos Rafael Rodriguez, member of our party's Politburo.

### Rodriguez Meets Official

FL251025 Havana Domestic Service in Spanish 1000 GMT 25 Jun 81

[Excerpts] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Miguel de la Madrid Hurtado, Mexico's secretary of programming and budget. Both leaders discussed the prospects for economic cooperation between Mexico and Cuba, which were examined as part of the process of integration of the economics of Latin American countries, and many proposals designed for this purpose were analyzed.

Carlos Rafael Rodriguez last night hosted a dinner in honor of Miguel de la Madrid and his wife, (Delia Margarita Cordero), attended by Central Planning Board President Humberto Perez, Education Minister Jose Ramon Fernandez and other high-ranking government officials.

## Fidel Castro Holds Talks

FL251112 Havana Domestic Service in Spanish 1045 GMT 25 Jun 81

[Text] Miguel de la Madrid, Mexico's secretary of programming and budget, met yesterday with our commander in chief, Fidel Castro, president of the Council of State and of the Government of Cuba. Also present at the meeting were Francisco Labastida and Jose Ramon Lopez Portillo, who are part of the Mexican delegation visiting our country. Attending the meeting for the Cuban side were Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers; Osmani Cienfuegos, vice president of the Council of Ministers; Humberto Perez, vice president of the Council of Ministers and president of the Central Planning Board; and Hector Rodriguez Llompart, president of the State Committee for Economic Cooperation, as well as other Cuban officials.

The lively and cordial talks covered various topics concerning the economies of Cuba and Mexico and relations between the two countries.

## Visit to Education Ministry

FL252105 Havana Domestic Service in Spanish 2016 GMT 25 Jun 81

[Text] Mexican Programming and Budget Secretary Miguel de la Madrid and the delegation he is heading had a fraternal meeting at the Cuban Education Ministry today. Asela de los Santos, member of the Central Committee and first vice minister of education, together with other education vice ministers and officials of the People's Government Provincial Assembly of Havana City received the visitors.

After the structure of the national education system had been explained to De la Madrid, he stressed that Cuba has attained the realization of an aspiration that exists throughout America, basically through the education given to children and youths.

The delegation from the Mexican brother country later visited "El Templete" and were acquainted with the plan for the restoration work which is going on in Old Havana City.

## Technical Agreement Signed

FL261040 Havana Domestic Service in Spanish 1000 GMT 26 Jun 81

[Text] Commander in Chief Fidel Castro attended the signing last night of an agreement on technical cooperation between Cuba and Mexico in the area of planning and economic and social development. Humberto Perez, vice president of the Council of Ministers and president of JUCEPLAN [Central Planning Board]; and Miguel de la Madrid Hurtado, secretary of programming and budget of Mexico, signed the document at the Mexican Embassy in this capital.

The document providies for increased efforts in the area of technical coopearation and the exchange of expertise between the two countries state organs in areas of work such as the planning system and processes. It also covers the evaluation and control of plans, the organization and management of state enterprises, census and surveys, statistics and seeks to define the prospects of complementing medium- and long-range plans.

At the conclusion of the ceremony to sign the agreement, also attended by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers; JUCEPLAN President Humberto Perez said that there are common elements, political will and mutual trust to develop this cooperation between countries with different social systems and economic structures but which maintain exemplary relations of friendship and respect.

Secretary Miguel de la Madrid said that for vital reasons of conviction, Mexico has practiced a foreign policy that rejects any kind of intervention. He added that in addition to common roots, Cuba and Mexico are united by respect, affection and deep friendship.

Delegation Departs

FL261615 Havana Domestic Service in Spanish 1600 GMT 26 Jun 81

[Excerpt] Miguel de la Madrid Hurtado, Mexico's secretary of programming and budget, and the delegation that accompanied him during his official visit to Cuba, left for home today. Humberto Perez, vice president of the Council of Ministers and president of the Central Planning Board, saw the Mexican leader and his delegation off at the airport.

PORTUGUESE BUSINESSMEN VISIT FOR TRADE TALKS

Leave for Cuba

FL121907 Havana Domestic Service in Spanish 1829 GMT 12 Jun 81

[Text] A group of 65 Portuguese industrialists and businessmen representing 64 firms and three banks left for Cuba today with the aim of promoting Portuguese exports here. This is the third time that a group of Portuguese businessmen has made a working visit to Cuba. A delegate from the export fund is accompanying the group. The meetings will take place between 15 and 18 June sponsored by the Cuban Chamber of Commerce and contacts will be made with foreign trade enterprises and the National Bank of Cuba.

The Portuguese-Cuban joint commission met in February within the framework of the economic relations between Cuba and Portugal which have grown considerably in recent years. On this occasion, a trade protocol was signed that surpassed the one signed the previous year.

Received by Rodriguez

FL171154 Havana Domestic Service in Spanish 1000 GMT 17 Jun 81

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received the group of Portuguese businessmen visiting our country for the purpose of exploring the possibilities of new markets for bilateral trade. During the meeting with the 58 [as heard] Portuguese businessmen and industrialists, Carlos Rafael Rodriguez referred to various topics related to our country's economic development and what the Portuguese industrial sector can offer to that progress. He also noted the ways in which the two economies can complement each other, making feasible the development of bilateral commercial and economic trade.

For their part, the Portuguese businessmen indicated their great interest in the possibilities of the Cuban market.

Businessmen Visit ICAP

FL191641 Havana Domestic Service in Spanish 1600 GMT 19 Jun 81

[Text] The group of 65 businessmen, making up the visiting Portuguese delegation, were received last night at the Cuban Institute for Friendship With Peoples [ICAP]. Mario Rodriguez, first vice president of the ICAP, welcomed the delegation, noting the friendship uniting the two peoples.

The delegation of Portuguese businessmen will return to their country today, Friday.